**Business States Its Case** (Page 11)

# THE FINANCIAL POST

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The Canadian Newspaper for Business Men and Investors

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## The Nation's Business

The B. N. A. Act Controversy
New Brunswick Stands Alone Against Changes
Need to Make Haste Slowly
Bankruptcy Abuses Call for Action

### Our Obsolete Constitution

THAT Canada's constitution is in many details obsolete is generally admitted. It prevents nation-wide agreement on social and fiscal legislation that cannot be managed by the provinces without destructive competition between them. It continues to maintain a burdensome system of overlapping government.

Conferences that have recently been held in Ottawa, at which the Dominion and the nine provinces have been represented, have been dealing with methods of amending Canada's constitution. They have not been discussing primarily the amendments that are required nor the redistribution of power and authority that would result. This is not the core of the present controversy for even New Brunswick, which opposes domiciling Canada's constitution at Ottawa, would approve certain changes if made by the Imperial Parliament. Rather, the present discussions have been concerned with how present and future amendments are to be obtained.

It is likely that the provinces generally would approve changes that would shear them of some of their authority in matters such as social legislation if, in turn, they were granted exclusive rights in certain areas of taxation which are now closed to them. But what the provinces might gain or lose has not come up, because the vital question yet is how the B.N.A. Act could be revised and not what revisions are necessary.

• • •

THE present position is that the Dominion and eight provinces are agreed that Canada's constitution should be reconstructed in such a way as to make it possible for important changes to be made from time to time in Canada and without reference to the British House of Parliament, which must now put through any amendments. The ninth province, New Brunswick, has made it clear that it entered Confederation and surrendered some of its governmental functions and powers, only on condition that its sovereign power over all matters where power was not specifically surrendered would remain.

New Brunswick fears that domiciling Canada's constitution in Ottawa would be but a first step to making that province merely a territorial division of Canada and not the self-governing province that it regards itself to be today.

A similar issue was tested in the bloody years of the United States Civil War, and the final result was to confirm in that country that the United States was in effect a single nation and not a confederation of sovereign powers. There must be no Civil War to test the issue in Canada. In fact, it would be better for Canada to postpone indefinitely the Canadianization of its constitution than to force it upon any one province or to have the issue tested by the attempted secession of any province.

The job of our statesmen today is to reconcile the revisionist viewpoint and the New Brunswick viewpoint. The Winnipeg Free Press, speaking for the revisionists, says, that the compact theory of Confederation is a myth and the veto power of the provinces is non-existent. It considers that the New Brunswick government is in an absurd position. New Brunswick thinks it is defending the very structure of our nationhood. It is receiving considerable support from newspapers in other provinces, particularly those which fear that giving us power to amend our own constitution will leave us with inadequate safeguards for minorities. In such a situation one or other viewpoint must yield or a compromise must be found. Ideally, the compromise should take the form of some concession by New Brunswick to the viewpoint of the great majority, in return for which the majority would offer substitute safeguards satisfactory to New Brunswick.

• • •

THE plan for future amendments of the B. N. A. Act, which is now under consideration, divides constitutional amendments into four classes. There are those affecting only the Dominion Government, where the amendments would be made by the Dominion Parliament without consultation with the provinces.

There are those affecting the relations of the Dominion and one

(Continued on page 2, col. 3)

## Shawinigan 1935 Profits Move Ahead

### Share Earnings Estimated at $1.17 — Best Since 1931

### CUT DEBT $2 MILLIONS

### Power Sales Top Five Billion Kw.h. Mark — Best on Record — Strengthen Balance Sheet

From Our Own Correspondent

MONTREAL.—Shawinigan Water and Power Co.'s revenue for 1935 is understood to have been better than $13 millions, an increase of about $500,000 over that reported for the previous year.

The increase in operations added to expenses, but after allowing the usual appropriation of $1 million for depreciation, the balance available for distribution on the common stock is estimated at $1.17 a share, as against $1.09 a share in 1934.

The past year has been one of general development for the company. The continued recovery of the newsprint industry and manufacturies in the territory served, combined to bring about a sharp increase in demand for power.

#### Record Power Sales

The half-yearly figures issued by the company indicated that power sales were on a larger scale than ever before, and final figures for the full year will likely show sales in excess of 5,300 million kw.h. This compares with 4,585 million kw.h. in 1934 and places the company on a par with Ontario Hydro as a distributor of electrical energy.

A large part of the increased output came from the company's own new development at Rapide Blanc on the Upper St. Maurice River. In addition Shawinigan has followed its usual custom of purchasing power from Duke Price Power Co., Southern Canada Power Co., and, of late, repurchasing power sold to Montreal Power.

The 1935 statement will show that in addition to contract purchases, the company bought over 800 million kw.h. of energy for sale as secondary power.

Retail sales were well maintained last year, but rate reductions at various points on the company's systems were reflected in earnings. On the whole, however, income from operations last year was the best in some time and is estimated to have reached around $11.7 millions.

Non-operating revenues of Shawinigan in 1935 are not likely to have come up to the 1934 returns, when they totalled over $1.5 millions. This is based on the fact that some of the companies in which Shawinigan has a stock interest paid smaller dividends during the year.

#### Chemicals Do Well

One of the principal subsidiary operations of Shawinigan is carried on through Shawinigan Chemicals. This unit had a good year in 1935 and it is expected that earnings of the chemical company, as well as the distribution to Shawinigan in the way of bond interest and dividends on preferred stock will about equal that reported in 1934.

An important change took place in the capital set up of Shawinigan Chemicals during the past year and will likely be set out in detail in the parent company's report. Last July a reorganization of the capital was undertaken and the structure now consists of $4,750,000 of five per cent 30-year first mortgage bonds; $4,351,000 of five per cent non-cumulative preferred stock and 400,000 shares of no par value common stock. All of these securities are owned by Shawinigan Water and Power Co.

#### Retire Term Notes

Further strengthening of Shawinigan's balance sheet will be shown when the 1935 report makes its appearance. A few years ago the company issued a small block of six per cent five-year notes to help complete the power development at Rapide Blanc. The balance of these notes outstanding, amounting to over $4 millions, were called for redemption. In order to finance this transaction Shawinigan sold $3 millions of serial notes, maturing in three equal annual installments. The balance of the money was paid out of the company's own funds. At this time only $2 millions of the notes remain to be paid off in 1936 and 1937, so that the company was able to reduce its debt by more than $2 millions in the past year.

#### Look to Future

In connection with the company's debt, the directors are understood to have decided on a policy in regard to the discount. Over a period of a number of years the company has issued several millions of bonds. The cost of this financing has been carried in the power development. Now it has been decided to segregate this item and to appropriate sums from the profit and loss account balance to wipe out the charge. The discount up to 1935 is understood to have been in excess of $5 millions and against this item a reserve of more than $2 millions has been established, leaving around $3 millions to be amortized over the life of the bonds.

Despite the reduction in debt and a moderate increase in dividend payments, working capital was well maintained during 1935.

## Ontario Bonds To Be Inviolate

Ontario government policy on provincial debt will be to meet every bond obligation in precisely the terms of the contracts, official spokesmen state definitely to The Financial Post. There will be no tampering with Ontario bonds or with interest rates on present issues, it is stated, unless a nation-wide scheme of conversion is adopted by all governments.

While the government favors low interest rates, official policy is opposed to any plan for Ontario alone to seek reduction of rates on present bonds. Since a national debt adjustment plan for all provincial governments is not an early probability, this statement of policy is reassuring to investors.

Numerous letters received by The Post reveal that there have been fears that Ontario might propose alteration of interest rates on outstanding bonds. According to government authorities, these were misapprehensions.

## Drilling Gives Basis for Hope To Ashley Gold

### Recovery Per Ton Shows Increase in Last Quarter

### THREE MONTHS ORE

Mining Corporation of Canada, reporting on the activities of its various subsidiaries for the quarter ending Dec. 31, 1935, stated that diamond drilling at Ashley Gold Mining Corp., under the new exploration programme, has given several intersections which, while not conclusive, give evidence of the existence of a new vein zone, to be explored within the next month.

#### Bucks Matachewan

This bit of news gives a cheering tinge to the report from this Matachewan property, which has, for some time, been a disappointment. Tonnage handled during the quarter increased to 13,005 tons, from the 11,677 tons handled in the previous quarter. Bullion recovered totalled $128,367, showing an average recovery per ton of about $9.87. This recovery is a marked improvement over the previous quarter recovery, at $8.84 per ton. Operating costs at the mine, including development amounted to $101,503. Ore reserves were depleted to the extent of 4,700 tons and amounted to 10,760 tons at Dec. 31. With an average per day of 140 tons, as indicated from last quarter tonnage figures, this ore would be sufficient for less than three months mill feed. The indicated new vein referred to in the report might, of course, change the picture entirely.

#### Laguna Down 760 Ft.

Dealing with Laguna Gold Mines, the Herb Lake, Manitoba prospect, officials of Mining Corp. state that the shaft was completed to the 760-ft. level at the end of November. Development on this level amounted to 203 ft. of drifting at the end of the year. To date this drifting has not shown ore of as high a grade as that on the upper levels, but 107 ft. is of ore grade and results generally are not discouraging. Two raises from the 500-ft. level and one raise from the 625-ft. level show better width and values than were indicated on the levels.

## Many Frauds In Failures, British Claim

### Lawyers Appointed Throughout Canada to Watch Interests

### OTTAWA PLEASED

### Maintains Canadian Bankruptcy Law as Good as British But Enforcement Costs Are Higher

From Our Own Correspondent

OTTAWA.—British business men with investments in Canada are taking steps to protect themselves, under the Canadian bankruptcy law, against fraudulent insolvencies. This follows hard upon statements of a highly critical character appearing in British periodicals.

Improved protection will be sought by appointing lawyers at key points throughout this country to act as agents for British creditors. They will attend all bankruptcy proceedings where British money is involved and, to every extent possible, safeguard against fraud. The move is welcomed at Ottawa.

#### Frauds More Common

The most recent criticism of Canadian bankruptcy practice appeared in the November issue of the Sheffield Chamber of Commerce monthly. It was stated that the Canadian bankruptcy law is not equal, in protecting creditors, to the British law. Fraud is much more common in Canada than in the United Kingdom, it claims.

It is conceded at Ottawa that fraudulent bankruptcies are not unknown. There is, however, very little difference between the British and Canadian law. Enforcement in Britain is more effective, due largely to the centralized organization of business and the ability of creditors, in a relatively small country, to attend bankruptcy proceedings. There, too, one government is entirely responsible for enforcement.

#### Chasing Bad Dollars

In Canada, the scattered population and the vast distances to be covered, are an obstacle to effective administration. While bankruptcy is a matter for federal action, under our constitution, the provinces have full power over criminal proceedings. It requires a very eloquent appeal to persuade a provincial attorney-general to spend money in investigating a bankruptcy settlement. The Dominion votes no money for this particular purpose.

Moreover, according to the Ottawa authorities there is a difference between the attitude of creditors in the two countries toward bankrupts. In the United Kingdom, the tendency is for creditors to put up money if suspicions of fraud exist and the state, too, is ready to investigate. In Canada, creditors usually shrink from spending good dollars to chase bad ones.

Since the reorganization of the Dominion bankruptcy service a few years ago, there has been a notable improvement in the handling of these matters.

## Niagara Falls Pays 1936 Bond Interest

Niagara Falls city council has decided to continue interest payments in full for 1936.

Early this year, the new council decided to budget for 1936 without including interest in expenditures. The council proposed to stop interest payments, pending arrangements to refinance debentures of the city, which is in default of principal.

The city's cash position has improved considerably while not paying debenture principal.

## National Revenue Dept. Will Cut Customs Ports

### Savings of $400,000 Annually Seen in Reduction of Number of Stations — Over 500 Offices — U. S. Gets Along With 270

From Our Own Correspondent

OTTAWA.—Despite vigorous protests from private members of Parliament, Hon. J. L. Ilsley, Minister of National Revenue, has initiated a campaign for the closing of unnecessary customs ports, outports and postal collection stations.

A survey of the number of these offices is now under way and it is known there are upwards of 500 such offices in the country. Salaries and upkeep run into millions of dollars each year, the exact figure being difficult to obtain because of the fact that in some cases the expenditure is made by other departments. This is true, for example, of postal collection stations which are operated by the post office department.

#### To Reduce Number

The objective is to cut down the number of these establishments to a reasonable figure, commensurate with the just demands of the public for customs services. The saving of public money involved is $400,000, or the carrying charge on upwards of $10 millions. It is conceded, of course, that it will take years to achieve this objective. Difficulties to be surmounted are too great to be easily or quickly surmounted; personal factors are too powerful.

While Canada supports, in all, more than 500 offices at which goods may be cleared from customs, the United States although ten times greater in population gets along with but 270 customs offices and the United Kingdom with about 80.

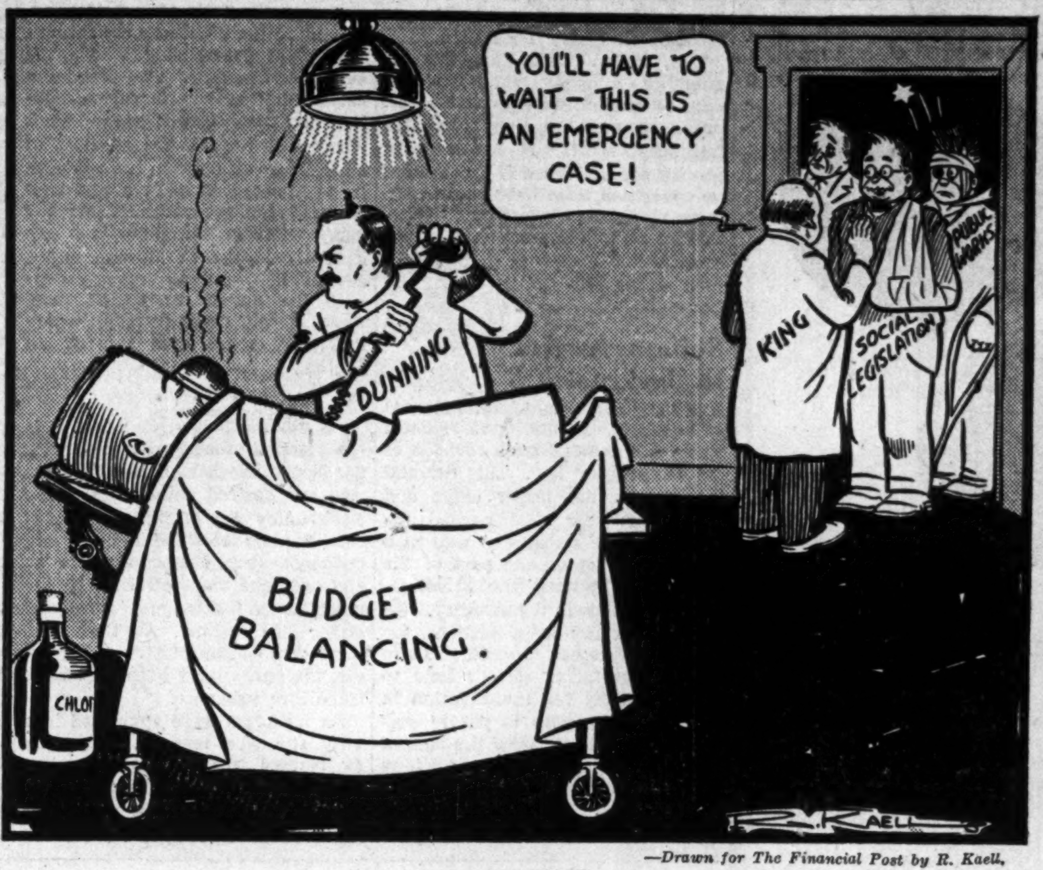
The practice of establishing ports, outports or postal clearance facilities at inland towns and villages has grown up with the political patronage system.

The net result is that there are more than 200 of these offices, many of them situated at points far distant from the international boundary or the coast, at which practically no business is done. The average in these 200 offices is slightly less than one customs entry per day.

#### Closes 20 Offices

The campaign to weed out the inefficient ports and outports was launched at the turn of the year and to date Mr. Ilsley has closed twenty offices. With one or two exceptions, his decision to close has been vehemently resisted by the local member and by local political organizations.

It is recognized that it will take time to clean up the situation. Many personal factors have to be taken into account. Where employees are nearing the retirement age, action is being delayed until the closing will involve no undue hardship. In other cases, where a transfer would mean breaking up family relations, etc., prolonged delay may be inescapable.



—Drawn for The Financial Post by R. Kaell.

LET THEM WAIT

## Maritimes Seek Power Of Majority Vote Veto Under New B.N.A. Act

### Would Require Seven-ninths Provincial Assent to Changes

### PARLIAMENT TO ACT

### Early Transfer of Canada's Constitution from English to Canadian Statute Foreseen

From Our Own Correspondent

OTTAWA.—Despite vigorous opposition of New Brunswick, the constitutional conference in session at Ottawa has made rapid headway. The general plan to be followed in obtaining for Canada the right to amend her own constitution is now fully disclosed. Action is regarded as extremely probable this session of Parliament.

The conference has proceeded in camera but the trend of the discussion is known and decisions, to date, may be summarized under two headings—problem and solution.

The constitutional problem arises out of settlement which brought the Dominion into existence. The constitution is the British North America Act, enacted at the request of the Canadian provinces by the British Parliament in 1867.

#### Provinces Claim Veto Right

The statute, being an instrument of Westminster, could only be amended there. Amendment in the early years of Confederation was by way of a joint address by the two houses of Parliament.

Later on, the provinces claimed the right of veto and insisted that their consent must be obtained before any important changes in the B. N. A. Act be made. As it is extremely difficult to obtain the consent of all nine provinces to proposed changes, the task of changing the constitution has become increasingly difficult.

Changes, however, became urgent as Canada expanded. New and difficult problems of government arose which the Fathers of Confederation had not foreseen and which could be permanently solved only if the respective jurisdictions of Dominion and provinces were modified.

#### New Brunswick Exception

The constitutional conference called at Ottawa last December ignored completely the detail of needed changes, although recognizing their urgency. Instead it concentrated upon formulation of a procedure of amendment which would operate entirely within Canada and which

(Continued on page 2, col. 7)

## B. N. A. Act Revision Proves Contentious

Under a revised British North America Act, possible amendments affecting all provinces, and covering widely diversified subjects, including labor, wages, prices, insurance, manufacturing and pensions are visualized among other clauses.

It is probable that this aspect of the proposed B. N. A. A. revision, now under discussion at Ottawa, will command support of the majority, but it is proposed that agreement must be common to two-thirds of the provinces, and that consenting provinces must have 55 per cent of the total population.

This means that either Ontario or Quebec would have to be a consenting province, but there are distinct signs, according to The Financial Post's Ottawa correspondent, that the Maritime Provinces desire to make the needed majority seven-ninths of the provinces.

They would thus, collectively, have power of veto.

## Retail Sales Well Ahead

Most retail stores reported excellent December business as indicated by detailed figures published this week by the Dominion Bureau of Statistics. Business on the whole was reported as 6 per cent ahead of the same month last year.

| | | Change | |
|---|---|---|---|
| Monthly | Dec. | From prev. period % | From prev. year % |
| Coal prod., tons | 800,581 | — 41 | + 2 |
| Retail Sales Index (1930 = 100): | | | |
| Boots & shoes | 85.5 | + 3 | + 23 |
| Candy | 64.1 | + 6 | + 9 |
| Men's clothing | 81.8 | + 12 | + 16 |
| Women's clothing | 69.1 | + 6 | + 8 |
| Departmental | 78.5 | + 5 | + 4 |
| Drugs | 77.4 | + 5 | + 2 |
| Dyers & cleaners | 75.2 | — 4 | — 3 |
| Furniture | 79.0 | + 11 | — 0.5 |
| Groc. & meats | 79.0 | + 15 | + 11 |
| Hardware | 79.8 | — 0.4 | — 8 |
| Music & radio | 44.4 | + 1 | — 0.9 |
| Restaurants | 53.8 | + 4 | — 1 |
| Variety | 92.0 | + 9 | + 8 |
| General index | 76.8 | + 8 | + 6 |
| Bank debits* | $2,932,304 | — 2 | — 3 |
| Auto financing: | | | |
| New cars | $1,285,656 | + 3 | +181 |
| Used cars | 942,024 | — 10 | + 56 |
| Flour prod., brls. | 957,219 | — 40 | — 1 |
| C.P.R. net earn. | $3,306,013 | — 4 | + 4 |
| | Jan. | | |
| Contr. award. | $13,610,400 | +211 | + 33.2 |
| Weekly | | | |
| Car loadings, No. | 39,006 | — 2 | — 8 |
| Cattle sales, No. | 12,583 | — 22 | — 9 |
| Hog sales, No. | 17,319 | — 3 | — 38 |

* 000's omitted.

## Windsor Scheme

### C. W. McDiarmid Special Agent; Takes Place of Guaranty Trust Co. in Negotiations

C. W. McDiarmid, formerly president and general manager of the Guaranty Trust Co. of Canada, Windsor, has been appointed special agent of the Windsor Finance Commission in connection with the refinancing scheme for the defaulting city.

It is understood that the Guaranty Trust Co. is no longer fiscal agent for the city in connection with the refinancing plan. Mr. McDiarmid recently resigned as an officer of the trust company. Previously he had been representing the company in its capacity as fiscal agent in the refinancing negotiations with representatives of bondholders.

#### Verifies Negotiator

Retention of Mr. McDiarmid by the finance commission is important to bondholders. In the interregnum between his resignation and the present appointment it was uncertain as to who represented the city. Hence the committee of three delving into Windsor matters for bondholders was nonplussed as to where to resume discussions.

The scheme to refinance Windsor bonds is unchanged from the original proposal to write $13.4 millions off the debt of $40.2 millions, originally reported in The Financial Post for Jan. 4, 1936. The special group of three bondholders' representatives is investigating discrepancies between figures prepared for the Windsor Finance Commission and those drafted for creditors. The small committee is headed by Archibald McPherson, president of the Ontario Loan & Debenture Co., London, who is chairman of the Windsor bondholders' committee.

If negotiations between representatives of Windsor and of bondholders fail to reach a compromise, the debt plan would then have to go before Ontario government authorities for consideration. There appears to be little prospect of bondholders accepting the plan in its present form which has been termed confiscatory.

## Highlights

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Canadian business states its case through spokesmen in finance, industry and agriculture, at Canadian Chamber of Commerce. Page 11

### *Milling Industry*

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### *Highest Bridge*

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### *Through With Theorists*

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## Trustee to Sell Victory Building

Bondholders of 80 Richmond Street West Ltd., owners of the uncompleted Victory Building on Richmond St., Toronto, at a meeting on Jan. 30 authorized the Royal Trust Co., the trustee under the mortgage indenture, to dispose of the property. The trust company has been given absolute discretionary powers as to the acceptance or rejection of any offer.

Work on the Victory Building was discontinued in November, 1929. Subsequent efforts to finance the completion of the structure have been unsuccessful.

## More "Smelters" Listed

From Our Own Correspondent

MONTREAL. — Montreal Stock Exchange announces that 300 additional shares of the capital stock of Consolidated Mining and Smelting Co. of Canada will be listed on official notice of issuance and payment in full.

## Social Credit Paper Offers $25 Shares

### Disclosure Short of Requirements of Stricter Laws

### WHO IS IN CONTROL?

### Without Stating Earnings, Advertisement Hints at Great Financial Success

Advertised offering of 28,000 shares of five per cent preferred stock in Albertan Publishers Ltd., to be the official press of the Aberhart Social Credit party, omits details required under the stricter companies and securities acts in Canada.

O. C. Arnott & Co., Calgary investment firm, is fiscal agent in offering the issue. The Financial Post has just received the first advertisement of the securities of Albertan Publishers Ltd.

#### Use of Proceeds

The stock is not advertised as having been purchased from the company for cash. It is stated that the net proceeds of the sale will go to the purchase of the fixed assets of the Albertan Publishing Co. and the Social Credit Chronicle, to payment of incorporation and organization expenses and to provide the new company with working capital.

The preferred shares of $25 each are offered at that price with a bonus of one common stock with each two preferred shares. The issued capital is to be 28,000 preferred shares, and 75,000 no par value common shares.

The offering involves issue of 14,000 shares with sale of preferred. The advertisement fails to state who gets the other 61,000 common shares which would carry control of the company. Sale of all the preferred would involve investment of $70,000. One mystery is: How much of this actually goes into the new company?

#### Supports Social Credit

The new company has been formed to take over the Calgary Albertan, stated to be the only morning newspaper published in the province of Alberta. The paper is now "supporting the principles of Social Credit, which permits it to enjoy the confidence of the provincial government," according to the publicity. Since the Social Credit Chronicle is merged with the Albertan, the joint undertaking "will become the official organ of the Social Credit party," it is asserted.

After the preamble about the new company, the first advertisement on the issue to be received by The Financial Post does not disclose the directors or officers of the new company. Who are they? It is reported that Premier William Aberhart is not an official.

#### What Are Earnings?

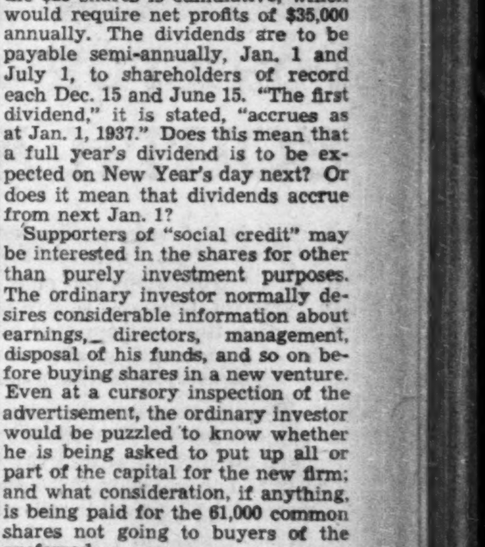
Under the heading of "earnings," the advertisement doesn't say what the profits if any, have been. "Anyone," it states, however, "can visualize the enormous good that can be done and the great financial success that is possible for the new company with the active support of thousands of reader shareholders."

"In addition to operating radio station CJCJ, the company will operate a job printing department." This, it is stated, "should in itself add greatly to the earnings of the company." The implication is that there is something to add to.

#### Dividend Uncertainty

The dividend of five per cent on the $25 shares is cumulative, which would require net profits of $35,000 annually. The dividends are to be payable semi-annually, Jan. 1 and July 1, to shareholders of record each Dec. 15 and June 15. "The first dividend," it is stated, "accrues as at Jan. 1, 1937." Does this mean that a full year's dividend is to be expected on New Year's day next? Or does it mean that dividends accrue from next Jan. 1?

Supporters of "social credit" may be interested in the shares for other than purely investment purposes. The ordinary investor normally desires considerable information about earnings, directors, management, disposal of his funds, and so on before buying shares in a new venture. Even at a cursory inspection of the advertisement, the ordinary investor would be puzzled to know whether he is being asked to put up all or part of the capital for the new firm; and what consideration, if anything, is being paid for the 61,000 common shares not going to buyers of the preferred.



Wholesale commodity prices declined to 72.7 in the week ended Jan. 31, from 72.8 in the previous week according to the index compiled by the Dominion Bureau of Statistics.

GET IN TUNE WITH THE NEW STYLES FOR SPRING

Eatonia

GOOD VALUE • GOOD MERCHANDISE

TWO TROUSER SUITS

Frankly, our Men's Department on the Second Floor has set a new record in its **Eatonia** Suits for Spring—a new record for smartness of style, cloth and patterns. In the all-wool line-up you'll find suits that you'll be surprised and delighted to find priced so reasonably.

See the full range of smart single and double-breasted styles for men and young men! Sizes 35 to 46, as well as special sizes for the man who is "hard to fit."

$25.00 SUIT

*These suits may be purchased on the T. Eaton Co.'s Budget Plan if desired. Our Clothing Department will be pleased to give you full particulars.*

SECOND FLOOR — JAMES ST.
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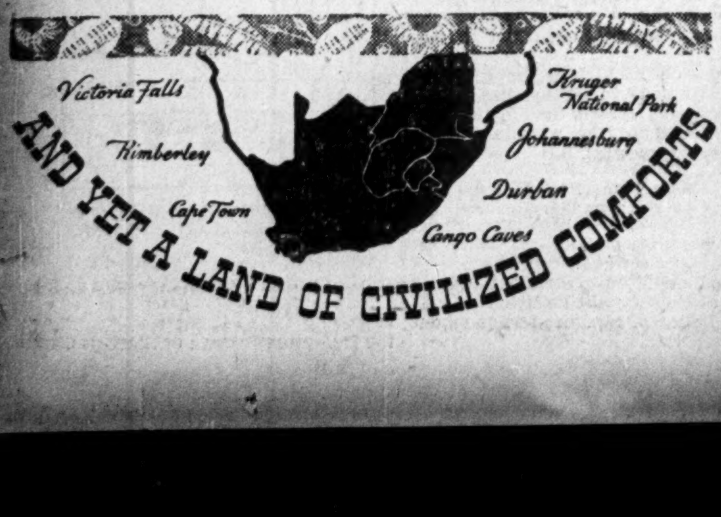

# The Nation's Business

(Continued from page 1)

province which would be effected by legislation of the two parties interested.

There are those in which the interests of the Dominion and a large number of provinces are concerned, such as labor, wages, prices, manufactures, distribution, etc., and here two-thirds of the provinces, possessing 55 per cent of the total population, could put through necessary legislation.

The fourth class, amendments affecting minority rights, would require unanimous approval of all provinces and the Dominion. But "minority rights" is not a very precise phrase. Even if there were no opposition from New Brunswick, there would be a great deal of discussion as to what subjects in the constitution ought to fall within each of the classes.

* * *

### Reforms Needed In Bankruptcy

MINISTERS and officials at Ottawa should give careful study to a demand for a revision of the bankruptcy law. This demand is vocal in the larger cities and sooner or later will compel rewriting of the statutes as well as a keener interest on the part of the government toward the investigation of fraud in bankruptcy. On the latter count it is, perhaps, too much to expect creditors (who already are facing serious loss) to put up money for investigation in cases which appear to justify suspicion. That is properly the task of government, just as much as it is to track down thieves in other fields of business.

Unfortunately, the division of jurisdiction whereby the Dominion administers bankruptcy law while the provinces enforce criminal law, makes for indifference and inefficiency. Ten governments cannot be expected to act with the cohesion and celerity of a single administration.

Under the circumstances Parliament might well vote a modest sum to defray the costs of investigation, leaving to the provinces the responsibility of prosecuting where the evidence warrants. The Dominion bankruptcy branch is self-sustaining and the investigatory work would not require the services of more than half a dozen trained men. In fact, the R. C. M. P. might well be used for the purpose. As the matter now stands, there is a gap in law enforcement through which crooks and thieves may escape with the dollars of honest men. There is, too, a risk in credit which inevitably must take toll of all debtors.

* * *

AS TO the bankruptcy law, it is apparent that Parliament, with the best of intentions, has failed to achieve desired objectives. The Bankruptcy Act of 1919 authorized compromises between debtors and creditors, such compromises to be approved and made effective by the receivers in bankruptcy appointed under the statute. At that time there was no supervision of receivers; the bankruptcy branch had not come into existence.

As receivers were appointed in a very slip-shod manner, frequently as reward for political services rendered, the calibre of the appointees was deplorably low and grave injustices to creditors were all too common. So much so, that the sections authorizing compromises were repealed by Parliament in the late 20's.

The Bennett government took a long stride in the right direction when the old bankruptcy administration was scrapped and an efficient centralized organization created. The bankruptcy branch very quickly built up an honest, efficient staff of receivers throughout the country. These men operate under strictest supervision and are giving good service to debtors and creditors alike.

* * *

HON. C. H. Cahan, former secretary of state, restored the compromise agreement feature of the old Bankruptcy act by a special statute—the Companies Creditors Arrangement Act—under which these arrangements can be negotiated and made effective by order of the courts. It has developed, however, that the courts are not equipped to investigate the proposed settlements with the care required to protect all creditors and, as a result, a great many arrangements have gone through which appear to be unsound.

Having regard to the present efficient management of bankruptcy it would seem wise to repeal this special statute and place these arrangements—highly desirable in certain circumstances—under control of the receivers and subject to the supervision of the Bankruptcy branch.

The two changes combined—a Dominion investigation service and supervision of arrangements—would greatly improve the operation of bankruptcy law.

# Accusations Are Modified In Rayon Plant Closure

## Canadian Rayon Manufacturers Confident of Proving Necessity of Former Protection Before Royal Commission—But Ottawa Feeling Doubtful

From Our Own Correspondent

OTTAWA.—The Turgeon Royal Commission to investigate the rayon industry is rapidly assuming the proportions of a celebrated case. With manufacturers confident of being able to prove conclusively their need for the former level of protection and with western provinces, and low-tariff opinion generally, deeply aroused, the outcome of this investigation probably will exert a profound influence upon future tariff policy of the government.

**Industry Optimistic**

Confidence of the industry in their ability to make good their claims for the restoration of tariff against Japan would appear to err greatly on the side of optimism.

The announcement that J. C. McRuer, K.C., is to be the chief counsel for the commission has been received with marked approval in low tariff quarters. The other counsel, Elie Beauregard, K.C., is not so well known in a national sense.

The commission is expected to come to grips with its task in a few days.

**Facts Now Clear**

The facts in the situation are becoming increasingly clear. The cut in the tariff on rayon, brought about by the Japanese settlement, varies with different weights and qualities of rayon but the variation is between 30 and 40 per cent ad valorem. The industry still possesses upward of 100 per cent protection on an ad valorem basis.

Yet at the current rate of duty, such is the cheapness with which Japanese producers are dumping their goods in Canada, that imported fabrics are being offered for sale f.o.b., Toronto, all duty paid, at from 12 to 13 cents per yard. The production costs of similar goods in Canada are from 17 to 18 cents.

**Threat Accusations Fade**

The belief that the shut-downs which occurred and which threw some 1,200 persons out of employment were actuated by a determination on the part of the industry to terrorize the government, to compel acceptance of their views by direct action—this belief is fading out as more complete information is becoming available. The facts with respect to one of the largest rayon plants disclose that ordinary expectations for January were one million yards of rayon. Actually, however, the orders received totalled only 350,000 yards. The balance of the business went to Japan.

**Partial Reopening**

The Sherbrooke plant of the Dominion Textile Co. was reopened prior to the announcement of the appointment of the Royal Commission and, therefore, does not support the general belief in low tariff circles that the industry is shrinking from the acid test of investigation. Morever, this plant has only been opened on part time and the 425 employees concerned have not been restored to their former earning capacity. The rest of the 1,200 employees remain without work.

### Proxy Majority Favors Silverwood's Dairies Plan

Proxies received by promoters of the plan of reorganization of capital of Silverwood's Dairies, Ltd., report that on February 4 more than 2,000 proxies had been filed in favor of the plan. Officials state that comparatively few have voted against the proposal.

It is expected by officers of the company that the plan will be carried without serious opposition.

### Obituary

**R. J. Keeley**, vice-president and general manager of Canadian Toledo Scale Co., Ltd., at Hotel Dieu, Windsor. He was born in Chatham in 1896.

**James McCabe**, founder of the McCabe Grain Co., Ltd., of Winnipeg, and other companies in Duluth, at Minneapolis, in his 80th year.

**James B. Tudhope**, president of eight companies and a director of many others, former M.P. and M.L.A., and one of Ontario's pioneer industrialists, at his home in Orillia. He was 78.

The "Mining Analyst"

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# Bank Lends Saskatchewan $3 Millions

## Province Pays Bonds Without Any Aid by Dominion

## B. C. NEEDS LOAN

Without any fuss, Saskatchewan was able to obtain a bank loan to meet its maturity of $3,029,000 of six per cent bonds on Feb. 1. The loan was obtained on the security of treasury bills, without any recourse to the Dominion government for aid or guarantee.

Relief and pleasure were the reactions at Ottawa when it was learned the province had financed its own maturity. The new development is taken as an indication of the improvement in Saskatchewan's economic and financial position. In the past year, Saskatchewan has been able to fund considerable amounts of debt by sale of long-term bonds.

**B. C. Requires Loan**

The fact that British Columbia has a loan of $5 millions maturing Feb. 15 has revived discussion of the attitude of the western provincial governments on the loan council plan of financing.

The Financial Post understands that the federal government will assist provinces to meet maturities and keep them out of default until the loan council scheme becomes law. Thereafter, the provinces can do as they please and either refinance their maturities with Dominion guarantee, subject to some measure of control of future provincial financing, or default.

British Columbia and Alberta are the next of the western provinces with debt maturities to meet, as shown below:

**Western Provinces' 1936 Maturities**

| Date: | Province | Amount | Rate |
|---|---|---|---|
| Feb. 15 | B. C. | $5,000,000 | 4¼% |
| Apr. 1 | Alberta | 3,200,000 | 6% |
| May 1 | Sask. | 2,002,000 | 4½% |
| May 15 | B. C. | 3,500,000 | 4% |
| July 1 | Manitoba | 184,000 | 4% |
| Nov. 1 | Alberta | 1,250,000 | 6% |

Manitoba has no problem in maturities for three years, and Saskatchewan's maturities are being handled quietly.

**B. C. Situation**

Dispatches from Vancouver state that unless British Columbia agrees to accept some control of financing by loan council the province may be "on the spot" with regard to the Feb. 15 maturity.

Premier T. D. Pattullo is reported to be opposed to acceptance of any plan involving control over B. C.'s borrowings.

However, it is understood that B. C. authorities became agreeable to the principle of loan councils at recent conferences at Ottawa.

Unless some agreement is reached with Ottawa before February 15, it is reported, B. C. may be in the position that Alberta occupied before obtaining an emergency loan from the Dominion last month.

The issue will be federal aid or default, and the latter is one thing that Mr. Pattullo is determined to avoid even if the manoeuvre taxes his ingenuity to the limit.

The possibility that B. C. may get a bank loan, like Saskatchewan, has not been widely considered. There is also the possibility that a major part of the maturity can be met from accumulated earnings of the large B. C. sinking fund.

**Alberta Precedent**

It will be recalled that Alberta got within a few hours of default before the Dominion made the Aberhart government a loan of $2 millions to meet maturing bonds on Jan. 15.

At that time, the federal government made the loan on representations from other provincial governments that any default should be avoided until the loan council plan is effective.

In the case of British Columbia, refusal of provincial authorities to accept the principles of the loan council scheme might result in a delay in obtaining federal funds to meet the $5 millions on Feb. 15.

In view of the precedent in the loan to Alberta, however, it is believed that the Dominion will see the coast province through until the loan council scheme is made avail-

# Page-Hersey May Increase '36 Earnings

## Has Cleared Away Bonds and Preferred—Expects Building Revival

## EXPORTS ARE DOWN

Page-Hersey Tubes, Ltd., has now outstanding only one class of security, 174,276 no par value common shares. It earned $3.68 a share on this in 1935 and would have earned 10 cents a share more if the $19,140 used to redeem the last 172 shares of seven per cent preference stock at 110 and to pay $220 in accrued dividends is included. That is a non-recurring expense.

This completes a process which has lasted a decade, of strengthening the liquid position of the company. It had completed redemption of six per cent first mortgage bonds due 1946 by 1929: The preferred has quickly followed.

In 1926 the company reorganized its capital. It paid off the old preferred with cash or cash and stock as holders wished. The old common was dealt with in the same way.

**Missed the Boat**

The $3 millions of new seven per cent preferred sold at 96½ in 1926, were convertible up to January 1, 1934, on the basis of two common shares for one share of preference stock. As the shares were callable at 110 it is curious that even these 172 shares should remain outstanding.

Even in 1931, 1932 and 1933 the holders could at times have got much more by converting into common than by holding. In 1929 sales were as high as 264. The holders of these last 172 shares therefore missed the boat, but even at that had a profitable experience.

The readiness with which preferred shares were exchanged for common is explained by common earnings. The seven per cent preferred could in 1929 get $8 by exchanging for two common shares which were paying $4 a share in 1929. They would have had the equivalent of $10 in 1930 and 1931 when the dividend was $5 a share. The common dividend was $4 a share in 1932 and $3 a share since.

The average of all the depression years still shows the balance of the dividends in favor of those who converted. They are getting the equivalent of $6 a share on the old preferred.

**Revival Expected**

The chances are for recovery of dividends as well. The earnings were $3.68 a share in 1935. With preferred eliminated the same returns would give $3.78. The new president, C. L. Dunbar, expects "a real revival in building and construction in 1936." This would mean increased demands for the company's products.

Prices were reduced during the year, it is true, but that was back in April and still the company earned $3.68 as compared with $3.55 a share in 1934. What profits of subsidiaries were is not disclosed. Those profits were not included.

For further figures see page 16.

# GATINEAU POWER REPORTS INCOME WELL MAINTAINED

From Our Own Correspondent

MONTREAL.—Consolidated income of Gatineau Power Co. during the third quarter of 1935 totalled over $2.3 millions.

Net income available for interest, depreciation and other charges was $2 millions, as against $1.9 millions in the previous year. The balance before dividends amounted to $561,463 as against $504,167 in 1934.

In the report issued by the company, it is pointed out that of the gross revenues shown in the quarterly and twelve months statements, nearly one-half was derived under the contract with the Ontario Hydro. The Ontario government declared these contracts void and unenforceable against the Commission. The company continues to supply some power to the Commission, but no definite statement regarding income, it is said, can be made at this time.

Comparative figures on earnings for the third quarter of 1935 and 1934 follow:

**Third Quarter Earnings**

| | 1935<br>$ | 1934<br>$ |
|---|---|---|
| Gross revenue (incl. other inc.) | 2,357,790 | 2,295,143 |
| Net inc. before int. deprec., etc. | 2,030,155 | 1,985,826 |
| Bond interest | 869,187 | 876,926 |
| Balance | 1,160,968 | 1,108,900 |
| Interest on debs. | 259,890 | 266,970 |
| Other int., amort. of dis., div. on pref. stock of sub., prov. for inc. tax | 174,291 | 175,072 |
| Deprec. amort. storage works | 165,319 | 162,961 |
| Bal. before dividends. | 561,463 | 504,167 |

Cumulative returns for the twelve months ended December 30, 1935, show gross revenues of nearly $9.3 millions, an increase of about $60,000 over the returns for the preceding twelve months. The amount available for interest, depreciation, etc., remains much the same, while the balance before dividends was slightly greater than in the fiscal year ended December 30, 1934.

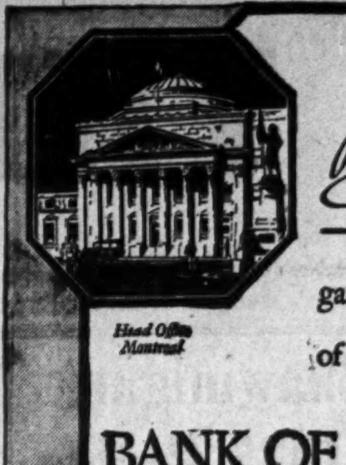
Comparative figures for the twelve months ended December 30, 1935 and 1934 follow:

**Twelve Months' Earnings**

| | 1935<br>$ | 1934<br>$ |
|---|---|---|
| Gross revenue (includ. other inc.) | 9,280,440 | 9,223,028 |
| Net inc. before int., deprec., etc. | 8,076,161 | 8,040,043 |
| Bond interest | 3,484,043 | 3,508,406 |
| Balance | 4,592,118 | 4,539,637 |
| Interest on debts | 1,048,459 | 1,072,388 |
| Other int., amort. of disc., div. on pref. stock of sub., prov. for inc. tax | 727,720 | 700,312 |
| Deprec. & amort. storage works | 649,481 | 646,569 |
| Bal. before divds. | 2,166,458 | 2,120,368 |

## Metal Prices

New York—Feb. 4—
**Copper:** Electrolytic spot and future, $9.25.
**Silver:** 44¾c.
London—Feb. 4—
(Long Ton)—
**Copper:** Electrolytic spot, £38 7s 6d; future, £38 17s 6d. Standard spot, £34 10s; future, £34 17s 6d.
**Tin:** Spot, £203 17s 6d; future, £197 12s 6d.
**Lead:** Spot, £15 10s; future, £15 10s.
**Zinc:** Spot, £14 10s; future, £14 15s.
**Gold:** 140s 6d.
**Silver:** 19¾d.
Canada—Feb. 4—
**Gold:** $35.20.



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# MARITIMES SEEK POWER OF MAJORITY VOTE VETO UNDER REVISED B.N.A. ACT

(Continued from page 1)

would banish controversy regarding the provinces' right of veto.

The December conference made rapid progress and re-assembled on January 28 to continue discussions.

By January 31, agreement of all provinces but New Brunswick had been attained but important detail remained to be dealt with.

Law officers of the Dominion and the provinces were constituted a sub-committee and are now dealing with this detail. It is expected their deliberations will extend over three weeks, when the main conference will re-assemble to approve the settlement reached.

**Amendment Within Canada**

In the trend of the discussions one fact must be kept in mind. While there is, admittedly, an urgent need of re-writing the British North America Act now, the delegates of the various governments have largely ignored it.

They are concentrating on the working out of a method of amendment within Canada, confident that once this has been done, revision of the constitution will proceed and the British North America Act can be made to conform to the needs of the day.

The statutory position at the present time is as follows: The British North America Act is a British statute. Section seven of the Act of Westminster (1931) provides that the division of powers as between the Dominion and the provinces in the B. N. A. Act, shall continue indefinitely to be binding.

**Four Steps Required**

The first step planned is to have section 7 of the Act of Westminster repealed.

The second step is to send to the British Parliament details of the system of constitutional amendment within Canada, agreed upon at Ottawa. This system will be in the form of a bill, to be enacted by the British Parliament. The bill will declare that the British North America Act is a statute of the Canadian Parliament and that it may be amended by that Parliament under certain conditions which will be outlined in minute detail.

The third step will be the repeal of the B. N. A. Act by the British Parliament.

The fourth step will be the enactment of the B. N. A. Act, precisely as it stands, by the Canadian Parliament.

**British Tie Unimpaired**

Thus, the conference is agreed that the root of Canada's constitution must always be a British statute. This, however, will not mean that any real obstacle will exist in Canada to the revision of the constitution.

The proposed solution of the problem is to be found in the method of procedure. On this method, there is agreement (New Brunswick excepted) in principle, but not in detail.

A canvass of delegates, however, discloses clearly that they do not feel that differences on detail will thwart the main purpose in view. Whatever compromises are necessary will be made.

**Four Classes Involved**

The procedure will involve the creation of four classifications covering future amendments.

1. Amendments affecting only the Dominion government and involving such matters as the administration of the Commons, the Senate, the Federal departments, etc.
2. Amendments affecting the Dominion and only one province.
3. General amendments affecting all provinces and covering a very wide range of subjects, such as labor, wages, prices, manufacture, distribution, pensions, insurance, etc.
4. Amendments affecting minority rights.

Class one amendments will be made by the Dominion Parliament without consultation with any province.

Class two amendments will be made by the Dominion and the particular province concerned.

Class three will be made by the Dominion and a given number of the provinces. Unanimous consent will not be necessary.

Class four will require the unanimous approval of the provinces and the Dominion.

**The Maritimes' Position**

As to class three, the proposal which commands most support at the conference is that two-thirds of the provinces must agree and that the consenting provinces must possess 55 per cent of the total population.

The latter proviso would mean that the consent of one or other of the central provinces would be necessary.

There are distinct indications that the Maritime Provinces desire to make this seven-ninths of the provinces, so that, collectively, they would have power of veto. What will be done is uncertain.

**"Strait Jacket" Danger**

There is the danger that Canada will escape from its present "strait jacket" of a British statute, method of amendment not established, to a new strait jacket in the form of an all embracing classification number four.

The tendency, however, is to get as large a section three as is possible and to include in section four a clause enabling subject matters to be transferred from one classification to the other, by unanimous consent.

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# Reform Spirit Evaporates In Orthodox Atmosphere As Ottawa Gets to Work

## New Parliament Plunges Into Heavy and Varied Agenda of New Legislation in First Session

### SHORT SHRIFT GIVEN THEORISTS

### Loan Council, B.N.A. Act, Bank of Canada, Radio Commission and Income Taxation to be Considered — Will Change C.N.R. Method of Control — Under-secretaries to be Provided

**From Our Own Correspondent**

OTTAWA. — With a legislative programme already exceeding all expectations and which continues to expand rapidly, the new Parliament is now in session.

The order paper is weighted low with the usual freight of private members' resolutions and bills. The real sinews of the session, however, are being formed in the musty offices of law officers of the crown and their appearance will not long be delayed.

The session is assuming increasing importance to business, since national economy will be affected in innumerable ways by the statutes bound to emerge in 1936.

The pace and the emphasis of this first session of the new Parliament will be entirely different from those of the 1935 session. The passion for reform, for invasion of commercial fields with regulation of wages, hours of labor, has not only cooled; it has vanished. The stress on social legislation has completely disappeared.

#### Orthodox Methods

The new administration is overwhelmingly orthodox in its views on finance, trade, social questions and on the constitution. The depression which, during the past two years, has been chivied and harassed from every side — without yielding much ground—is now to be assaulted in the time honored way of economy, a balanced budget, higher taxation, enlarged foreign trade.

Advocates of the newer theories of painless recovery — the Douglas Social Credit school, the inflationists, etc.—will be given short shrift.

The sessional programme as it now stands divides naturally into four headings—finance, trade and tariff, the constitution and administration.

Under finance comes the new loans council which will require amendments to the B. N. A. act. These amendments will be put through without regard to the prospect of the constitution being transferred to Ottawa this year.

There will be other constitutional amendments to validate doubtful provincial taxation, such as the gasoline tax, sales taxes and the like. This will tend to buttress provincial credit, for the reason that all doubt of the validity of these revenues will be removed.

#### Bank of Canada

Something will be done to implement the government's pledge to nationalize the Bank of Canada, but it will be the minimum so far as interfering with the present bank set-up is concerned.

The annual estimates will disclose the strictest economy in expenditures both on current and on capital account.

Taxation will be increased in such fields as the income tax.

The deficit will be approximately $116 millions and the Dunning plan calls for a completely balanced budget in two years. The load to be shouldered this year, therefore, will be about $58 millions.

Some allowance will be made for the steady improvement in trade but it is held that existing taxes should be yielding higher revenue, and a lower customs tariff, it is believed, will add at least $50 millions to the government's income.

Definite action to transfer the constitution from London to Ottawa now seems certain to come this session. Full detail of the trend of the present conference and the line of action to be followed is given elsewhere in The Financial Post.

#### Unemployment Relief

Finally, there will be a large number of important administrative measures. Legislation will be put through creating the Unemployment Relief Commission.

The Marine and Railways departments will be consolidated into the Department of Transportation. The present departments of Interior, Immigration and Mines will be consolidated into the Natural Resources department. Statutes will be needed in both cases.

A new Radio Commission act will be drafted to change the set-up of the present commission.

Legislation abolishing the present Board of Trustees of the National Railways, in favor of a board of seven directors, will be introduced.

A statute providing for under-secretaries will be put through; the under-secretaries to be appointed late this year.

New legislation will be necessary to reform the administration of national ports.

The Combines act will be removed from the Tariff Board and placed, probably, under a separate commission. There will be a prolonged debate on wheat policy.

#### Tariff To The Fore

With respect to trade and tariff, the government will introduce legislation early in the sessions, ratifying the U. S. agreement.

The Japanese settlement requires no legislation but undoubtedly will be the subject of an acrimonious debate. The Customs Tariff act will be amended to provide for the $100 exemption and the restoration of the control of tariff to Parliament. This will be done by changes in the dump duty sections.

There will be a large number of tariff changes in the budget, notwithstanding the obvious desire of Hon. C. A. Dunning to keep changes down to a minimum. The tariff on gasoline will be revised and reduced. There will also be adjustments on cotton goods under the preferential tariff.

In many particulars, the intermediate tariff will be increased in order to give Canadian producers fairer protection against imports from the U. S.

The automobile tariff, however, is most unlikely to be touched.

Intermediate tariff increases will be of minor character.

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# TAX ON "OUTSIDERS" OVER-RULED BY COURT

## St. Johns, P.Q., Surtax on Outside Firms Quashed in Court Action

**From Our Own Correspondent**

MONTREAL. — Quebec municipalities seeking to increase revenue through taxation of "outside" firms doing business within the municipality received a setback when the Quebec Court of Appeal issued a decree quashing a by-law of the City of St. John's which imposed a surtax on outside bakeries selling within its limits. The municipalities could only charge non-residents up to 50 per cent more than the tax charged local firms ruled the court.

The offending by-law, passed in 1923, was attacked by Harrison Bros. Ltd., Montreal bakers, who do business in St. John's. The Superior Court was asked to declare ultra vires and illegal provisions of the by-law which imposed a tax of $100 on outside bakeries selling bread within the municipality, when local enterprises were taxed only $20. However, the Superior Court decided the city was acting within its rights.

Brought before the higher tribunal for review, the Court of Appeal reversed the lower court ruling, held the tax by-law ultra vires and not in accordance with provisions of the Cities and Towns Act, and ordered refund of the money to the Montreal bakers

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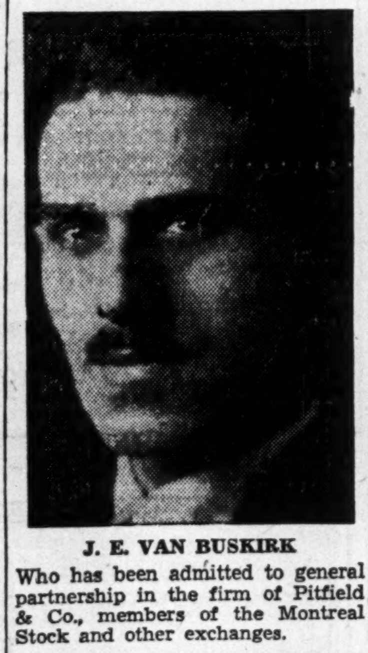
### New Partner



**J. E. VAN BUSKIRK**

Who has been admitted to general partnership in the firm of Pitfield & Co., members of the Montreal Stock and other exchanges.

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### T. F. MATTHEWS PICTURE

The photograph of T. F. Matthews which appeared in The Financial Post last week, was taken by W. F. Lyonde & His Sons, Toronto. Through an oversight credit was omitted.

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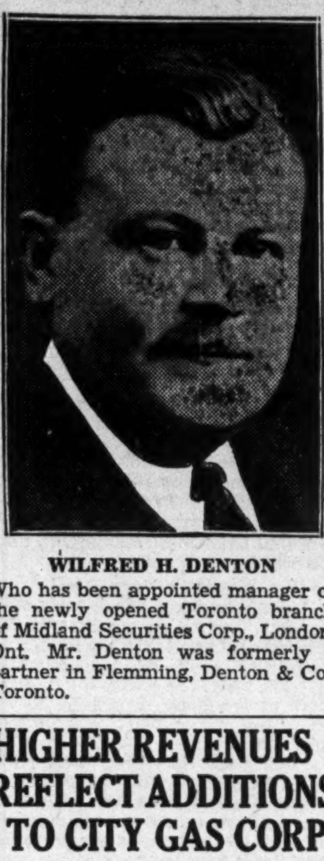
### Toronto Manager



**WILFRED H. DENTON**

Who has been appointed manager of the newly opened Toronto branch of Midland Securities Corp., London, Ont. Mr. Denton was formerly a partner in Flemming, Denton & Co., Toronto.

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# HIGHER REVENUES REFLECT ADDITIONS TO CITY GAS CORP.

## Progress Report States Gross Revenues Up 28 Per Cent in 1935

**From Our Own Correspondent**

MONTREAL.—An increase of 28 per cent in gross earnings, reflecting a widening of the company's operations, is set forth in a progress report for 1935 issued by City Gas and Electric Corp. to its shareholders.

The number of connected customers on January 1, 1936, was 2,757, an increase of 17 per cent over the number reported on the same date a year ago. This increase was not distributed over all divisions, the report states, as Three Rivers, the principal operating unit which is still regarded as being in the construction stage, recorded an increase of over 100 per cent in connected customers.

#### Gross Higher

The report goes on to say:

"Gross 'utility' earnings of your company for the period under review show a betterment of 28 per cent when compared with the previous year. Operating and administrative costs during the same period were reduced and further economies at a rate of approximately $8,000 per annum were introduced in the last months of 1935 and will be reflected in the net earnings of the company for the current calendar year.

"In Three Rivers, the company's gas distribution system has been doubled, that is, has been increased from 6 miles to over 12 miles during the last year. Shareholders will realize the importance of this construction when they know that the gas mains now in operation can furnish gas service to nearly 4,000 homes in Three Rivers thus providing your company with a fruitful field for immediate expansion."

---

# MARITIME TELEGRAPH DEFENDS TOLL RATES

## Statement Filed With Board on Long Distance Charges

**From Our Own Correspondent**

MONTREAL.—Rate structure of the Maritime Telegraph and Telephone Co. is upheld by J. H. Winfield, president, in answer to complaints made to the Public Utility Board that the differential between station to station and person to person telephone calls in Nova Scotia is too great. The present differential is approximately 25 per cent.

Three times as much operating labor is required on a person to person call and 3½ more circuit time is needed it is stated. There was little economic justification for a reduction in night rates, the company's statement read because they were no cheaper to operate than day calls. A person to person message involved greater expense to the company than a station to station call, particularly at night. The cost, however, is spread over the entire duration of the call rather than in the initial period in which the person calls.

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# Sidney Roofing and Paper File Plans for New Wharf

**From Our Own Correspondent**

MONTREAL.—Sidney Roofing & Paper Co. has filed with the Minister of Public Works at Ottawa plans of a wharf which the company proposes to build in Victoria Harbor. On and after February 10, the company will ask the Minister of Public Works for approval of the site and plans and for leave to construct the wharf.

---

# Ottawa Valley Power Files Claim on Power Agreements

## Court Asked to Declare Contracts Valid or Allow Independent Action — Important Points Involved

**From Our Own Correspondent**

MONTREAL.—Further particulars are now available on the action taken by Ottawa Valley Power Co. and J. G. Singer against the Hydro-Electric Power Commission of Ontario, the Attorney-General of Ontario and the Royal Trust Co., as trustee under a deed of trust securing the bond.

#### Important Points Involved

There are several points of interest and importance in this action. If the act is held to be ultra vires of the Ontario Legislature, then the contract and agreement of Ottawa Valley Power are again brought into full force. This will also apply to the other companies involved; Gatineau Power Co., Beauharnois Light, Heat and Power Co., and MacLaren-Quebec Power Co.

If, on the other hand, the action is upheld, but the court rules that the company is no longer bound by the operating and transformer agreements, then Ottawa Valley Power will be in a position seriously to embarrass the Commission in the continued operation of the Chats Falls development. If not bound by the agreement, the company could open the sluice gates which would make it difficult and at times impossible, for Ontario Hydro to operate its half of the development.

#### Offset Gatineau

The latter step would largely nullify the efforts of Ontario Hydro to make itself independent of Gatineau Power Co. for 60 cycle power in the eastern Ontario district. It will be recalled that a short time ago the Commission installed 60 cycle transformers at the Chats Falls plant. By so doing, the Commission created a supply of 60 cycle power which would take care of requirements of the eastern Ontario area without the necessity of depending upon Gatineau Power Co.

The company is asking the court for a declaration that the Power Commission Act of 1935, providing for cancellation of the power contract, is ultra vires the Legislature of Ontario and, in that event, asking judgment for $115,000 due on power made available to the Commission, representing amounts owing under the contract to date. Alternatively if the act is upheld, Ottawa Valley Power seeks a declaration that it is no longer bound by the joint development agreement or the transformer agreement and is entitled to control and operate the works and equipment on the Quebec side of the boundary without regard to the agreement.

#### Development in Common

In the statement of claims filed at Osgoode Hall, the company states that under the joint development agreement and the power contract entered into between the Ottawa Valley Power and Ontario Hydro for the development at Chats Falls, the equipment was to be owned by the parties in common. The joint works were to remain in separate ownership, that on the Quebec side to be owned by Ottawa Valley Power and that on the Ontario side by the Commission. Expenditures of a capital nature connected with the joint works and expenses pertaining to the protection, operation, control and maintenance, were to be shared equally under the terms of the agreement.

The power contract provides that the company for a term of forty years, keep available for delivery to the Commission and deliver when and as required, 96,000 h.p. at $15 per h.p. per annum for the power held available.

The transformer agreement provides that all the electrical power and energy produced from the joint development should pass through one transformer and switching station. The transformer and switching station is the property of the Commission, but Ottawa Valley Power was entitled, under the agreement, to the benefit of this equipment during the period of the power contract from payment of 8½ per cent of one half the capital cost.

On the basis of these contracts and agreements, Ottawa Valley Power issued $9 millions of bonds against the company's power development and its rights under the joint development agreement and under the power contract whereby the trust deed assigned to the trustee a part of the specifically mortgaged premises. The trust deed, in turn, was approved by the Ontario Hydro Commission.

#### Want Rights Declared

In the statement of claims it is pointed out that the company and the bondholders are "seriously prejudiced and embarrassed" by the doubt cast on their rights by the Power Commission Act of 1935, and such prejudice and embarrassment will continue until the rights are declared.

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# Bruck Silk Mills New Unit Operating

**From Our Own Correspondent**

MONTREAL. — Bruck Silk Mills 25,000 square foot plant addition has been completed on schedule. Machinery has been installed in the new building and operations commenced.

---

# SIMON AND SONS PAYS OFF ARREARS ON SENIOR STOCK

## Montreal Cigar Manufacturers Declare $7 Dividend on Preferred

**From Our Own Correspondent**

MONTREAL. — Directors of H. Simon & Sons, cigar manufacturers of Montreal, have declared a dividend of $7 on the preference stock, thus cleaning up all arrears.

Though the financial statement for 1935 will not be available for another two weeks, it is understood that earnings have been maintained. For 1934 the company reported a net income of $42,150, from which was deducted reserves for bad debts and income taxes, leaving a net profit of $32,620, or equivalent to $10.05 a share on the preferred stock. As this was the second consecutive year in which earnings had shown an increase, the directors took steps to clear up the arrears.

#### Pay Off in Blocks

Initial dividend on the preferred stock was paid on June 1, 1928, and regularly thereafter until December 1, 1932, when payment was deferred. Dividends were resumed with the declaration of $5.25 on account of arrears, payable on March 1, 1934. A further declaration of $10.50 a share was paid in February, 1935, covering the balance of arrears since November 30, 1934. The current declaration, therefore, brings the dividend payments up to November, 1935. Further payment on the stock is scheduled next March, when the regular quarterly distribution is due.

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It is still not too late for you to make a valid will, name a Trust Company as Executor and so provide financial protection and sound management for your estate and experienced personal service to your family.

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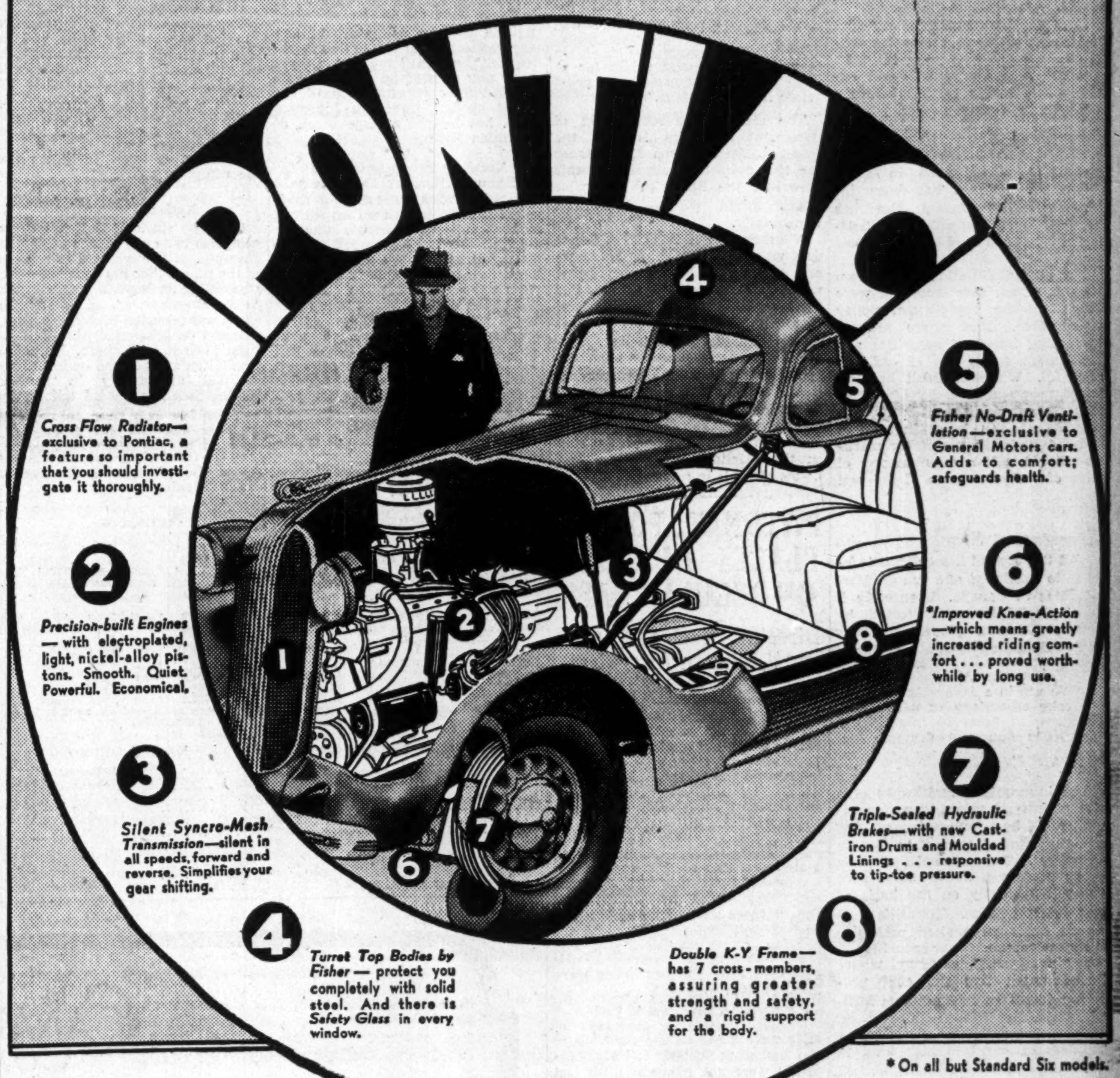
Let's Consider the Fine Points of



1 *Cross Flow Radiator*—exclusive to Pontiac, a feature so important that you should investigate it thoroughly.

2 *Precision-built Engines* — with electroplated, light, nickel-alloy pistons. Smooth. Quiet. Powerful. Economical.

3 *Silent Syncro-Mesh Transmission*—silent in all speeds, forward and reverse. Simplifies your gear shifting.

4 *Turret Top Bodies by Fisher* — protect you completely with solid steel. And there is *Safety Glass* in every window.

5 *Fisher No-Draft Ventilation* —exclusive to General Motors cars. Adds to comfort; safeguards health.

6 **Improved Knee-Action* —which means greatly increased riding comfort . . . proved worthwhile by long use.

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8 *Double K-Y Frame*—has 7 cross-members, assuring greater strength and safety, and a rigid support for the body.

* On all but Standard Six models.

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THE 1936 Silver Streak Pontiac is one of the biggest values in recent automobile history. From head light to tail lamp, this smart-looking car is a masterpiece of precision engineering.

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THE PRECISION-BUILT LOW-PRICED CAR

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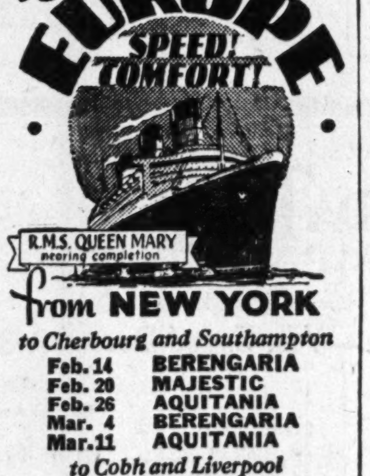
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Feb. 15*' SAMARIA
Feb. 29* SCYTHIA
*to Belfast and Liverpool*
Feb. 21 ANTONIA
Mar. 6 ANDANIA
*to Plymouth and London*
Feb. 13 ASCANIA
Feb. 20 AURANIA
Feb. 27 AUSONIA
Mar. 5 ALAUNIA
*Calls at Boston following day
'Calls at Galway before Cobh

from HALIFAX*
*to Plymouth and London*
Feb. 16 ASCANIA
Feb. 23 AURANIA
Mar. 1 AUSONIA
Mar. 8 ALAUNIA
*to Belfast and Liverpool*
Feb. 24 ANTONIA
Mar. 9 ANDANIA
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has been admitted to general partnership
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# Investment Trends —

### Stocks High But Unstabilized

• • • •

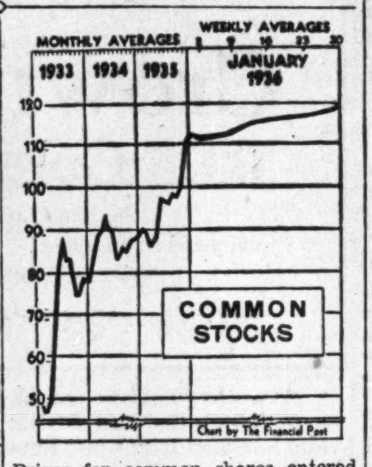
### Investment Demand Firm Foundation

Both the temporary and long-term trend of stock prices is upward, chiefly because investment demand continues substantial.

The recent rise of prices may either be extended or may be consolidated by moderation of activity. Market analysts foresee higher prices in either event, but recognize that a subsequent decline is inevitable.

The long-term investor can afford to wait for stabilization of prices before deciding to purchase. There is substantial investment demand waiting to enter securities markets, and this will tend to cushion any recession.

Shares of Canadian flour-milling firms have risen more than conditions in the industry warrant in the opinion of an expert in the business.



Prices for common shares entered February in a strongly rising trend. Dominion Bureau indices charted above appear in tabular form on this page.

### Eventual Recession

THE bigger they come the harder they fall does not always apply on the sports pages, but is a pretty good rule with which to gauge the financial markets. Share prices have been rising for the better part of a year without a major recession. This trend can extend considerably further. Yet, the greater the uninterrupted rise, the more certain the eventual inevitable recession. So the continued rise of prices, which may persist for some time, should be followed by a sizeable decline within a few months.

As expected, penetration of previous high levels for industrial shares in New York has led to a marked rise of share prices in both Canada and the United States. Estimates of possible maximum fluctuations in averages in 1936 are repeated below:

**Industrial Share Averages**

|  | Stock Exch. Montreal | Indices Toronto | Dow-Jones New York |
|---|---|---|---|
| **Actual:** |  |  |  |
| Year-end | 67 | 126 | 140 |
| This week | 75 | 140 | 151 |
| **Possible 1936 Limits:** |  |  |  |
| High | 80 | 151 | 168 |
| Low | 60 | 113 | 126 |

There is no reason, of course, why share prices might not exceed the maximum estimated. It is based on a rise of 20 per cent above year-end levels.

It is a commonplace to say that the higher prices go, the nearer they are to the probable peak for 1936. Yet the recent advance could extend considerably further before a widespread decline occurs.

* * *

### Public Participation

PUBLIC participation in stock market dealings has been increasing. The steady rise has brought increasing volume of trading and has crowded brokers' board rooms.

The present situation differs from 1928-29. Then, new securities were being increased rapidly and money was scarce. Now there are no increasing issues of securities and investment funds are exceedingly plentiful. While crowded brokers' board rooms are usually indicative of trouble ahead, it must be remembered that the large investment demand underlying security markets should allow maintenance of most of the price gains of the past year.

* * *

### Investment Stocks

FOR the present there seems to be little likelihood of a rise of interest rates in Canada. Eventually it is a possibility, as indicated by Dudley Dawson, general manager of The Dominion Bank at the annual meeting:

> "We are in a favorable position to take advantage of a possible increase in rates of interest on securities and any demand for commercial loans which may arise."

The investment significance of a rise of interest rates, even if gradual, would be a tendency for bonds and "investment stocks" to decline somewhat. For example, Ogilvie Flour preferred, non-callable, sells above 150 chiefly on the basis of low interest rates. Tuckett's preferred holds an exalted price for the same reason. Other securities in the "investment" category would include such five per cent preferred issues as International Milling, Goodyear Tire.

The beneficial effect of improving business on earnings may tend to strengthen securities like Bell Telephone, Consumers Gas and bank stocks more than they would be weakened by rising interest rates.

* * *

### Newsprint Warning

JOHN E. GEFAELL, one of the participants in the deal for assets of Great Lakes Paper Co., states:

> "Lower newsprint prices for a one or two-year period are possible if the deal fails."

The risk in the recent rise of newsprint securities is that the Great Lakes deal can still disrupt the 1936 price of newsprint. If this occurred, the boom in newsprint issues might collapse, at least temporarily.

Whether or not the Great Lakes deal would be disturbing over several years can best be answered when those years have passed. For the immediate future, the market in newsprint securities might be most disturbed if the deal is halted.

The long-term investor must depend on more solid developments than the recent rise of newsprint bonds to bring him his returns. The short-term holder of newsprint securities might do worse than stay on the sidelines while the Great Lakes affair is in process.

MINING
Leads Canadian Recovery

**Quebec's gold mines increased dividend payments over 38% in two years. The ranks of Quebec's producing mines will be added to during 1936 . . . several important companies now being equipped for production.**

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## INTERNAT. POWER PLACES DIVIDEND ON REGULAR BASIS

### Directors Declare $6 Annual Rate on 7 Per Cent First Preferred Stock

From Our Own Correspondent

MONTREAL. — International Power Co. has placed its 7 per cent first preferred stock on a $6 annual basis, with the declaration of a dividend of 1½ per cent for the quarter ended March 31, payable on April 1 to shareholders of record March 14. During the past year the company paid interim dividends totalling $3 a share on this class of stock.

According to the last financial statement issued by International Power, there are outstanding $8 million of first preferred, carrying a 7 per cent cumulative dividend. The stock was originally offered to the public in 1926. Further issues were made in 1927 and 1928.

**Dropped Dividend in 1931**

Regular quarterly payments of $1.75 were made on the stock up to and including October 1, 1931. Payments were not resumed until last year when three interim dividends of $1 each were paid. At present the stock is in arrears to the extent of $26.75 a share.

The placing of the first preferred on a regular dividend basis is taken to indicate that International Power experienced a further increase in earnings during 1935. The dividend was covered up to 1931. In the following year earnings dropped to $2.06 a share. There was an advance to $3.51 in 1933 and again to $5.01 in 1934. For 1935 it is expected that the statement will show over $6 a share earned on the first preferred.

## Cockshutt Plow Sales Gaining, '36 Hopes High

Sales of Cockshutt Plow Co., and of its subsidiary, The Frost & Wood Co., Ltd., went up 42 per cent in 1935 over 1934. Colonel Henry Cockshutt, chairman of the board, tells shareholders in the annual financial statement that he looks for a further expansion in 1936.

"There is good reason to expect that economic conditions will improve during 1936," he says. "In this recovery your company will assuredly participate. While the general outlook is encouraging, the lowering of the customs tariff on farm implements by the Dominion government is an adverse factor to be taken into account when appraising the outlook ....The past year has been a difficult one and conditions beyond our direct control retard our recovery. We have, however, unbounded faith in the future of agriculture in our country."

Details of earnings appear on page 16.

## Graustein Out of Newsprint; Cullen Named Head of I. P.

From Our Own Correspondent

MONTREAL.—Archibald R. Graustein's resignation as president and director of International Paper and Power Co. and of International Paper Co., is the most important development that has occurred in the newsprint industry for some time. He has been succeeded as president of International Paper by R. J. Cullen, who has been for some time president of Southern Kraft Corp. and other paper subsidiaries. No appointment has been made to the presidency of I. P. and P., the parent holding company. Meanwhile, at the request of the board, Mr. Graustein has agreed to assist the company in the transition period.

His resignation from the organization which he has been largely instrumental in creating has caused a great deal of speculation. It is known that differences of opinion as to his management arose within the organization some months ago, but this was understood to have been settled in his favor. At the moment no official reason has been given for his withdrawal from I. P.

No statement will likely be forthcoming for a little while as to the policies of his successor. R. J. Cullen takes over only the presidency of International Paper. He has not been associated with the newsprint end of the business. His forte has been paper specialties such as kraft wrapping paper and board for container boxes. Mr. Cullen built three of International's mills in the southern states and has had a wide experience as an operator and administrator of I. P.'s operations in that area.

# Investment Notes

**Brazilian Move**

Upward movement of Brazilian Traction common has been influenced by brokers with well-informed banking connections. In some quarters it is claimed that a cash dividend will be paid from funds accumulated in London, but this cannot be confirmed officially.

* * *

**B. A. Oil Earnings**

Under the Dominion Companies Act, British American Oil Co. need not reveal the full extent of its U. S. earnings. So profits of slightly over $1 a share from Canadian operations may be the only cash income shown.

* * *

**Brewing Corp. Yield**

The half-dividend of $1.50 a share on Brewing Corp. preferred, as expected, was far from earned in 1935. The company has yet to show the earning power to warrant confidence in the preferred as a stable investment; hence the near yield of nearly 10 per cent.

* * *

**Dominion Bridge Comment**

Dominion Bridge Co., says A. E. Ames & Co., "is in an excellent position to take advantage of any large-scale revival in the 'heavy industries,' which have not as yet made any substantial commitments to meet their accumulation of deferred needs." Canadian Investors Corp. has bought a large block of Dominion Bridge.

* * *

**Building Products Results**

Although Building Products paid almost 25 cents a share more in dividends than it earned on operations in 1935, it is questionable whether a deficit should be recorded against the company for the year. Of the total dividends of $1.25 a share, 25 cents was an "extra." The company gained the sum necessary to pay this bonus by recovery of depreciation charges on properties sold. If both the bonus dividend and the depreciation recovery are considered apart from earnings, the regular dividend of $1 a share was covered.

* * *

**Buying I. P. & P.**

Malcolm G. Chase director of International Paper and Power Company, increased his holdings of class A common stock by 300 shares to 5,200 in November. He increased his holdings of class B common 100 shares to 7,900. He also holds 1,400 class C common shares and 2,400 shares of preferred.

* * *

**Canada Foundries**

Canada Foundries and Forgings' balance sheet dated December 31, 1935, showed net working capital of $267,877 as against the comparative figure of $371,695 at the end of 1934. Owing to a typographical error, the decline in net working capital was reported in last week's issue of The Financial Post as being $174,000, instead of which it should have been approximately $104,000.

* * *

**C. P. R. and Smelters**

For many years the Canadian Pacific Railway has carried its important investment in Consolidated Mining and Smelting Co. of Canada at the par value of stock holdings. At the end of 1934 the company held 336,500 shares, which at the par value of $25 each, were shown on the books at $8,412,500.

It is understood that when the 1935 statement makes its appearance, the holdings in Smelters will be shown at cost, around $55 a share, making the total value of $16.5 millions, an increase of roughly $10 millions over that previously reported. At the higher figure, the stock is still conservatively valued, as the market value is more than four times as large as that which the company paid for it.

* * *

**National Breweries**

Common stock of National Breweries has been showing considerable strength. It is attributed to renewal of the report that the company plans on making an increased distribution to the shareholders. A few months ago it was reported that the company planned on increasing the dividend from $1.60 to $2 a share. No action was taken at the time owing to the political uncertainty in Quebec. While there is renewed talk of the dividend being moved up to $2 a share, it is more than likely that in such event the disbursement will take the form of an extra or a bonus, rather than increasing the regular dividend rate.

### Significant Investors' Index Numbers

1926 = 100

|  | Iron and steel | Pulp and paper | Milling | Oils | Textiles and clothing | Food and allied products | Beverages | Total industrials | Total utilities | Total co's. |
|---|---|---|---|---|---|---|---|---|---|---|
| No. of Securities | 15 | 6 | 5 | 5 | 11 | 18 | 9 | 89 | 23 | 112 |
| 1929-35:* |  |  |  |  |  |  |  |  |  |  |
| High | 388.9 | 113.4 | 273.4 | 423.5 | 113.5 | 197.8 | 205.4 | 317.6 | 166.0 | 232.6 |
| Low | 39.8 | 2.8 | 37.7 | 83.6 | 28.0 | 72.1 | 28.5 | 49.3 | 33.1 | 40.9 |
| Weekly Figures, 1936: |  |  |  |  |  |  |  |  |  |  |
| Jan. 2 | 125.3 | 17.3 | 78.6 | 212.6 | 72.1 | 149.5 | 155.1 | 178.3 | 49.8 | 111.4 |
| Jan. 9 | 128.8 | 18.6 | 79.5 | 217.5 | 74.9 | 152.1 | 152.6 | 180.2 | 50.8 | 112.3 |
| Jan. 16 | 129.8 | 18.9 | 80.7 | 232.2 | 75.7 | 152.9 | 152.7 | 187.2 | 50.8 | 116.2 |
| Jan. 23 | 128.2 | 19.1 | 80.4 | 236.9 | 76.5 | 155.5 | 152.1 | 190.6 | 50.6 | 117.8 |
| Jan. 30 | 131.6 | 19.4 | 81.5 | 241.9 | 74.9 | 156.1 | 151.0 | 194.4 | 52.7 | 120.7 |

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

**Toronto Stock Exchange Index**

|  | 20 Indus. | 20 Golds | 20 Misc. Mines |
|---|---|---|---|
| Feb. 4 | 140.31 | 135.41 | 137.57 |
| Feb. 3 | 139.61 | 135.63 | 136.73 |
| Feb. 1 | 139.44 | 134.83 | 134.93 |
| Jan. 31 | 138.56 | 134.09 | 133.40 |
| Jan. 30 | 136.90 | 133.50 | 132.93 |
| Jan. 29 | 136.33 | 132.01 | 133.38 |
| Month ago | 130.13 | 121.27 | 123.62 |
| Year ago | 106.04 | 110.05 | 81.77 |
| High, 1936 | 140.31 | 135.81 | 137.57 |
| Low, 1936 | 129.13 | 121.27 | 123.59 |

**Montreal Averages**

|  | 10 Util. | 20 Indus. | 30 Comb'd |
|---|---|---|---|
| Feb. 4 | 70.2 | 74.8 | 73.2 |
| Feb. 3 | 69.7 | 74.8 | 73.1 |
| Feb. 1 | 70.1 | 74.3 | 72.8 |
| Jan. 31 | 69.5 | 74.6 | 72.9 |
| Jan. 30 | 68.5 | 73.2 | 71.6 |
| Jan. 29 | 68.6 | 72.8 | 71.4 |
| Month ago | 69.0 | 71.7 | 70.4 |
| Year ago | 61.2 | 60.4 | 60.7 |
| High, 1936 | 70.0 | 74.8 | 73.1 |
| Low, 1936 | 68.0 | 70.3 | 69.0 |

## UNION GAS CO. PROFITS COVER BOND INTEREST

### Natural Gas Sale For House Heating in London Boosts Earnings

Union Gas Co. of Canada, Ltd., earned net profits of $111,733 in the last nine months of 1935 as compared with a net loss of $1,418 in the same period of 1934. The profits shown are after depreciation and all other charges except provision for Dominion income tax. The results include those of the wholly-owned subsidiaries, Windsor Gas Co., and City Gas Co. of London.

**Sells Bonds**

The company recently sold $4.5 millions of first mortgage bonds and also resold to its subsidiary, Hamilton By-Product Coke Ovens, $1.3 millions of the latter's general mortgage bonds. With the proceeds it reduced the parent company's bank loan which had been more than $5 millions.

Sales of gas for domestic purposes have increased in all markets, officials state. Improvement in earnings owes a lot to the fact that company has been selling natural gas in London since October 1, 1935. The sale of natural gas for house heating in that city continues to expand. Up to the present time the company has installed 1,900 units.

The company's big earning period is in the last half of its fiscal year which ends March 31, 1936. For instance, it had for the first six months to September 30 net profits of only $19,558. There has been an increase in the third quarter of its fiscal year of $92,000. If the same experience is met in January, February and March the result will be net profits for the year of more than $200,000. It may be more but that would cover interest requirements for a year on the new bonds with something over.

## TWIN CITY REPORTS INCREASED PROFITS FUND'D DEBT DOWN

Profits of Twin City Rapid Transit Co. of Minneapolis and St. Paul in 1935 were higher than in any year since 1930, amounting to $472,076 as against $241,724 in 1934.

After making allowances for annual preferred dividend requirements, the net income was equivalent to $1.19 a share on the common stock. Dividends on the preferred stock are in arrears $28 a share.

**Gross Revenues Up**

Gross revenues, according to the preliminary report were up slightly, $8,636,907 as compared with $8,489,413 in 1934. Earnings from operations totalled $1,666,050 and net earnings $1,744,150.

Working capital was reduced by over $1 million during the year as a result of the redemption of some of the company's funded indebtedness. Current assets as at Dec. 31 last amounted to $1,615,472 as against current liabilities of $1,102,527, leaving a working capital of $512,945. In 1934, working capital amounted to $1,790,954.

During the year, the company reduced bonded and secured indebtedness by approximately $1.7 millions. Of the six per cent secured dividend notes and fractional scrip certificate, which were due Jan. 15, 1937, $200,000 was purchased by tender and the remaining $680,000 converted into Series B 5½ per cent bonds.

Bonds of St. Paul City Railway Co., due Jan. 15, 1937, were also refinanced. Of the total of $3,708,000 outstanding, the company held $800,000. An arrangement was made with bondholders whereby 50 per cent of the amount in the hands of the public would be paid in cash and the balance extended for 10 years.

### Vancouver W. Drug Sales, Earnings Rise

Vancouver Western Drug Co. has been enjoying improvement in sales and earnings, it is reported. Consequently full dividends are being maintained on the 6½ per cent preferred shares.

The company had a gain of 10 per cent in operating profits in the year ended May 31, 1935.

## Canadian Dredge Earnings Exceed $3 in Dividends

Canadian Dredge & Dock Co. had earnings considerably in excess of the dividends of $3 a share paid from 1935 earnings, according to a letter to shareholders signed by D. S. Pratt, president and managing director.

For 1936 the company expects another favorable year, he states. The letter reads, in part:

"While our books only close on this date and final figures will not be available for some little time, we are glad to report that the company has had a very good year and that after payment of the $1 common dividend on Nov. 1 last and the $2 common dividend ($3 for the year, of which $2 is regular dividend and $1 bonus) and after full provision for depreciation, taxes and other charges, we shall have a very substantial balance of earnings to carry forward.

**Liquidity Very Good**

"Our liquid position is very satisfactory, having approximately $1,250,000 of current assets, with current liabilities only of approximately $75,000. This is as gratifying to directors as we hope it will be to you after the rather lean years we have gone through.

"Our plant has been well maintained and is in splendid condition to resume operations in the spring. We have a very considerable amount of work under contract for next season and look forward to another satisfactory year."

### Dosco Head Optimistic On Current Year Outlook

From Our Own Correspondent

MONTREAL.—Prospects of Dominion Steel and Coal Corp. for 1936 look somewhat better than for 1935, according to a statement made by Sir Newton Moore, president, at the annual meeting of the Sydney Board of Trade.

Last year Dosco and its associated companies produced 3,249,457 tons of coal, which was somewhat below expectations. An improvement in 1936 production is anticipated, based on the continued assistance of subventions which help to transport Nova Scotia coal to markets at a distance.

Provided costs at the steel plant could be reduced this year, Sir Newton expected a production equal to the 298,000 tons of ingots marketed last year. The need of new steel rails for maintenance and ordinary replacements was increasing, he said.

### Orange Crush Sales First Quarter Rise

Sales of Orange Crush, Ltd., for the first three months of the fiscal year—that is, for the months of November, December and January—are larger than for the same period a year earlier, according to information given by the president, E. P. Taylor, at the annual meeting.

In the year ended October 31, 1935, profits had been lessened as a result of the necessity of expanding dealer and bottling organization, said Mr. Taylor.

The directors favor reorganization of capital which is regarded as unwieldy. No action has yet been taken.

EST. 1917
**Grant Johnston & Co.**
MEMBERS MONTREAL STOCK EXCHANGE
MEMBERS MONTREAL CURB MARKET
MEMBERS CANADIAN COMMODITY EXCHANGE INC.
485 McGill St. (Ground Floor)
TEL. MA. 6184 MONTREAL

A LARGE concern, selling direct to farmers, expanding their plant, and opening up branches, is selling, through a reputable bond house, 6½% sinking fund debentures in units of $100 and over (with bonus of 1 share common stock).

Redeemable as a whole or in part, at the option of the company, on any interest date, on 60 days' notice, at $105 and accrued interest. This is a splendid opportunity for investors with idle money. Correspondence is invited, when full information will be given and opportunity afforded for fullest investigation.

But, in the first place, please address, Box 284, The Financial Post, Toronto, Canada.

The CANADA TRUST COMPANY
Managed and controlled by The Huron & Erie Mortgage Corporation

**34th Annual Financial Statement — Year Ended December 31, 1935**

**Assets**

| Capital Account |  |  |
|---|---|---|
| **Real Estate held for Sale** |  |  |
| Farm properties | $ 51,822 48 |  |
| City properties | 165,326 35 |  |
|  |  | $ 217,148 83 |
| **Mortgages and Agreements for Sale** |  |  |
| Principal and interest due and accrued |  | 1,219,907 51 |
| **Loans on Stocks and Bonds** |  |  |
| Principal and interest due and accrued |  | 42,574 00 |
| **Securities, including accrued interest** |  |  |
| Bonds of Dominion of Canada |  | 199,122 23 |
| **Cash in offices and in banks** |  | 135,503 20 |
| **Advances to Estates** |  | 42,272 00 |
| **Guaranteed Trust Account** |  |  |
| **Mortgages, Equities in Mortgages and Agreements for Sale** |  |  |
| Principal and interest due and accrued |  | 7,182,319 51 |
| **Loans on Securities, including accrued interest** |  | 95,255 44 |
| **Securities, including accrued interest** |  |  |
| Bonds of Dominion of Canada |  | 894,479 67 |
| Bonds guaranteed by Dominion of Canada |  | 328,506 00 |
| Debentures of Canadian Municipalities, School Districts and Rural Telephone Companies in Canada |  | 432,370 34 |
| **Cash in banks** |  | 39,465 13 |
| **Estates, Trusts and Agencies Account** |  |  |
| Investments, and cash in chartered banks and in The Huron & Erie Mortgage Corporation |  | 7,580,891 99 |
| Original assets of estates and agencies under administration by the Company (inventory value) |  | 13,316,021 25 |
| Securities held for clients' Accounts |  | 1,210,724 45 |
| **Total Assets** |  | $32,936,561 55 |

**Liabilities**

| Capital Account |  |  |
|---|---|---|
| **Capital Stock** |  |  |
| Subscribed $1,048,900 00 |  |  |
| Fully paid | $ 986,900 00 |  |
| Partly paid | 13,100 00 |  |
|  |  | $ 1,000,000 00 |
| **Reserve Fund** |  | 750,000 00 |
| **Dividend declared payable January 2nd, 1936** |  | 50,000 00 |
| **Provision for Dominion and Provincial Taxes payable in 1936** |  | 13,500 00 |
| **Profit and Loss** |  |  |
| Balance carried forward |  | 43,027 77 |
| **Guaranteed Trust Account** |  |  |
| **Trust Funds for Investment** |  | 8,899,244 98 |
| Interest accrued |  | 73,151 11 |
| **Estates, Trusts and Agencies Account** |  |  |
| Trust funds invested and for investment or distribution |  | 7,580,891 99 |
| Original assets of estates and agencies under administration by the Company (inventory value) |  | 13,316,021 25 |
| Securities held for clients' Accounts |  | 1,210,724 45 |
| **Total Liabilities** |  | $32,936,561 55 |

London Toronto Hamilton Montreal Windsor Chatham St. Thomas
Winnipeg Regina Edmonton Vancouver Victoria

**British Influence In Canada**

Strength of British influence in the economic and financial development of Canada is dealt with in our February Review and Bond List, together with a summary of current conditions and the bond market.

The Bond List offers a selected list of Canadian Government, Municipal and Corporation Bonds with interest returns suited to the requirements of individual investors.

*February Review and Bond List gladly forwarded upon request.*

**Wood, Gundy & Company Limited**
Toronto Montreal Winnipeg London, Eng.
36 King Street West Toronto
TELEPHONE: ELGIN 4321
Ottawa Hamilton Vancouver London, Ont.

The
PULP and PAPER
INDUSTRY
•
PRODUCTION
CONSUMPTION
PRICE TREND
CORPORATION DESCRIPTIONS
*Pamphlet will be sent on request*
**JOHNSTON AND WARD**
Head Office: THE ROYAL BANK BUILDING, MONTREAL
*Members: Montreal Stock Exchange*
*Montreal Curb Market*
*Canadian Commodity Exchange, Inc.*
Branches: Montreal, Que.; Toronto, Ont.; Saint John, N.B.; Moncton, N.B.; Halifax, N.S.; Sydney, N.S.; Kingston, Ont.; London, Ont. 113

WE ARE PLEASED TO ANNOUNCE
THE OPENING OF A TORONTO OFFICE UNDER
THE MANAGEMENT OF
MR. W. H. DENTON
MIDLAND SECURITIES CORPORATION LTD.

HURON & ERIE BUILDING
LONDON, ONTARIO
TELEPHONE METCALF 4500

DOMINION BANK BUILDING
TORONTO, ONTARIO
TELEPHONE ADELAIDE 1365

FEBRUARY 1ST, 1936

T. EATON REALTY CO. LIMITED
5% Sinking Fund
Twenty-Year Bonds
were
CALLED FOR REDEMPTION
on
FEBRUARY 1st, 1936
*Interest ceased on that date*

Therefore, to avoid loss of interest, anyone still holding any of the Bonds should turn them in without delay at any one of the places of payment, namely, any branch in Canada (Yukon Territory excepted) of The Dominion Bank, Bank of Montreal and The Royal Bank of Canada.

THE T. EATON REALTY CO. LIMITED.
February 7, 1936.

THE
DOMINION SECURITIES
CORPORATION LIMITED

announces that
Mr. R. W. STEELE
has resigned as a Vice-President
of this Corporation

and that
Mr. R. E. HALDENBY
has been appointed to
succeed Mr. R. W. Steele as Manager
of our Montreal Office.

*February Third*
*Nineteen Thirty-six*

# Bond Markets

### Bond Market Stronger

• • • •

### Demand and Supply

Stronger prices continue to feature the Canadian bond market. Inflationary rumors have failed to affect the high-grade bond market.

The demand for first-grade industrial bonds continues to exceed the demand. As a result a considerable amount of investment funds is being diverted to speculative issues. This has resulted in sharp appreciation of a number of depreciated bonds since the first of the year. An outstanding feature of this group has been Canada Steamship 6's which have risen from 42.75 to 64.25.

The new C. P. R. issue of $15 million of 3 and 3½ per cent bonds encountered ready demand. The offering caught a firm market at attractive prices.

### *C. P. R. Convertibles*

ONE of the most attractive features of the C.P.R. $15 million issue is that the $10 million 3½ per cent bonds, due 1951, are convertible into common stock.

In the past, investors have very often overlooked this attractive feature of certain bond issues. In view of the present low rates of interest, it is an even more important feature than previously. It enables investors to secure a stable income and to participate in any substantial appreciation in stock prices in the future.

Offered at 94.40, the new C.P.R. 3½'s will yield four per cent. Convertible into common stock on the basis of four shares for every $100 principal of bonds, they will in all probability sell at a premium if and when C.P.R. common recovers to within hitting distance of $25 a share.

• • •

### *Provincial Paper*

THERE is a possibility that the 5½ per cent first mortgage bonds of Provincial Paper will be refinanced in 1936. However, the subject has not been decided upon. The bonds are callable at 101, which makes refinancing at reduced rates of interest a profitable possibility.

The seven per cent preferred stock is not likely to be refinanced in the near future. The shares are selling around $102, but are not callable under $107. Although Provincial Paper has covered the preferred dividend throughout the depression, the fact that the newsprint industry is in rather low esteem might interfere with advantageous sale of preferred shares carrying a lower dividend rate.

• • •

### *Municipal Bonds*

BONDHOLDERS of defaulted Ontario municipalities have not been scared into liquidating their holdings by the Windsor refinancing scheme. There is, in fact, a shortage of such bonds, offerings being very small.

In refusing to dispose of their holdings, investors would appear to be displaying considerable wisdom. At present prices, many of the defaulted bonds seem attractive buys for a hold. If and when improved business conditions are reflected in better tax collections, these debentures should appreciate in value.

• • •

### *Market Buoyant*

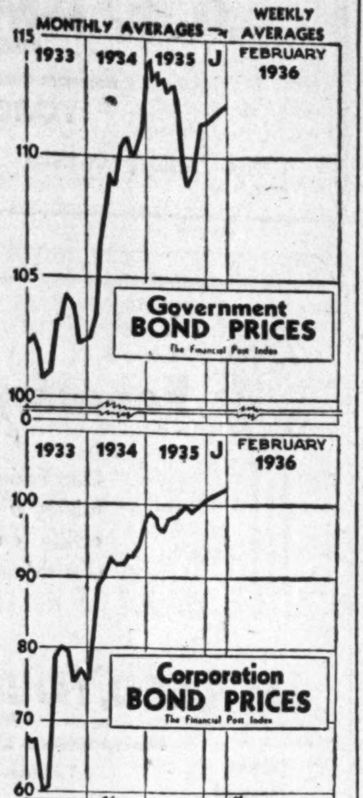
THE large amount of funds seeking investment continues to lend buoyancy to high-grade bonds. The Financial Post index of government bonds continues to advance although the average yield is now below 3½ per cent.

The major part of the rise in the better industrial bonds seems about completed, only minor price changes being recorded.

The trend of the high-grade bond market is indicated below:

The Financial Post Average Yield and Price for Seven High-grade Government Bonds

| 1936 | Yield % | Price $ | 1935 | Yield % | Price $ |
|---|---|---|---|---|---|
| Feb. 4 | 3.420 | 113.04 | Feb. 4 | 3.567 | 112.73 |
| Feb. 3 | 3.421 | 113.04 | Feb. 2 | 3.524 | 113.17 |
| Feb. 1 | 3.427 | 113.00 | Feb. 1 | 3.530 | 113.12 |
| Jan. 31 | 3.427 | 113.00 | Jan. 31 | 3.510 | 113.32 |
| Jan. 30 | 3.454 | 112.64 | Jan. 30 | 3.481 | 113.78 |
| Jan. 29 | 3.454 | 112.64 | Jan. 29 | 3.472 | 113.92 |
| Year's | 3.421 | 113.07 | Year's | 3.367 | 114.97 |
| Range | 3.597 | 111.50 | Range | 4.097 | 106.57 |



## C. P. R. OFFERING OF $15 MILLIONS WELL RECEIVED

From Our Own Correspondent

MONTREAL. — Canadian Pacific Railway Co. is offering $15 millions of bonds to reduce short-term debt of $48 millions owed to banks.

The offering is by a syndicate under management of Wood, Gundy & Co., including Bank of Montreal, Royal Bank of Canada, Canadian Bank of Commerce, Dominion Securities Corp., A. E. Ames & Co., and a large investment dealer group.

**Well Received**

Early reports of the offering indicate a favorable reception from large and small investors. The serial 3's are attractive to large institutional investors and the conversion feature of the 3½ per cent bonds has a wide appeal.

This is the first time the C.P.R. has been in the market since May, 1934, when $12 millions of 4 per cent convertible 15-year collateral trust bonds were offered to yield 4.20 per cent by a bank and investment dealer syndicate, the latter being headed by Wood, Gundy and Co.

The purpose of the issue at that time was to retire an equivalent amount of five-year notes held by the chartered banks and guaranteed by the Dominion government.

Particulars of the new issues follow:

**C.P.R. Bond Issues**

**$5,000,000 3% Serial Collateral Trust Bonds**

**Dated:** Feb. 15, 1936, maturing $1,000,000 annually Feb. 15, 1937 to 1941.

**Payable:** Canadian funds.

**Security:** A direct obligation also secured by $125 of C.P.R. perpetual debenture stock, which is first charge on the company's assets for each $100 of bonds.

**Offering:** At 100 to yield 3 per cent.

**$10,000,000 3½% Convertible Collateral Trust Bonds**

**Dated:** Feb. 15, 1936, maturing Feb. 15, 1951.

**Payment and Security:** Same as for 3 per cent serial issue above.

**Convertible:** Into ordinary stock up to Feb. 15, 1944, on basis four shares ordinary for each $100 of bonds.

**Earnings:** Net profit, after all deductions, in 1934 was 1.26 times all fixed charges, probably slightly less in 1935.

**Offering:** At 94.40 to yield 4 per cent by banks and investment dealer syndicate under management of Wood, Gundy & Co.

## STERLING OFFER BY N. B. RAILWAY UPHELD IN COURT

### "Gold Coin" Repayment of Bond Redemption Refused

From Our Own Correspondent

MONTREAL. — New Brunswick Railway Co. has been successful in defending a lawsuit brought by the British and French Trust Corp., which sought repayment of principal and interest in gold upon redemption of the bonds.

In August, 1884, New Brunswick Railway issued £600,000 of 50-year bonds. In the trust deed securing the issue, the only place in which a so-called "gold clause" appears is, significantly enough, in the repayment clause. Nowhere else does the word "gold-coin" appear.

The British and French Trust Corp. held £99,200 of these mortgage bonds and on March 15, 1935, presented them in London for payment, demanding such sum as represented the price in London in sterling, calculated as on August 1, 1934, of gold of the standard of fineness specified in the first schedule to the Coinage Act, 1870, and by way of the half yearly interest due on August 1, 1934, a sum equal to 2½ per cent of the amount demanded, less income tax.

The alternative demanded by the Trust company was £99,200 with half-yearly interest thereon in current gold coin of Great Britain.

**Payments Refused**

New Brunswick Railway Co. refused to make either of these payments, but tendered payment of £100 sterling for each bond, together with interest in sterling, less income tax.

The British and French Trust Corp. then took the matter to court, claiming a declaration that on the true construction of the bonds it was entitled to payment as claimed, while the company, in defense, claimed that it was entitled to discharge this obligation in the manner of payment tendered.

Mr. Justice Hilbery, in the High Court of Justice in England, gave judgment in favor of the company. In his judgment, he pointed out that the whole of the bond appeared to be impressed with the character of a bond for repayment of £100 sterling. The mere fact that the bond was called "first mortgage gold bond" did not appear to be inconsistent with that view.

**Gold Case Cited**

The now famous "gold-clause" case of Feist vs. Societe Inter-Communale Belge l'Electricite was cited by the plaintiff. Mr. Justice Hilbery distinguished the circumstances in that case and those of the present matter, and indicated that the Court could find no reason in the present case for not giving the word "bond" the literal and ordinary meaning.

## Bond Sales

**Treasury Bills**

The Bank of Canada has announced the sale of $30 millions of Dominion of Canada treasury bills due May 1, 1936, at a new record low cost of 1.0924 per cent. The average discount price was 99.73136.

**Burlington**

Town of Burlington, Ont., for the second consecutive time has received no bids on an issue of five per cent installment bonds totalling $85,693. Tenders had been called for Jan. 31.

**Hull**

City of Hull, Que., has sold $130,500 of 4½ per cent bonds, due Nov. 1, 1936-55, to L. G. Beaubien & Co. Ltd. at 97.17.

## Bond Redemptions

| Bond Issues: | Rate | Year | Date | Price |
|---|---|---|---|---|
| Mt. Royal Tunnel | 5% | 1970 | Apr. 15 | 100 |
| United Amuse. .. | 6% | 1942 | Mar. 1 | 103 |
| Mtl. Pr. Cons. A | 5% | 1951 | Apr. 1 | 104 |
| Paton Mfg. ...... | 6% | 1953 | May 1 | 103 |
| W. Koot. Pr. .... | 5% | 1956 | Mar. 1 | 104 |
| Wabasso Cotton | 6% | 1947 | May 1 | 110 |
| St. Maur. Vall. Cot. .......... | 6% | 1952 | May 1 | 105 |
| Shaw. Cotton.... | 6% | 1949 | May 1 | 105 |
| Wabasso Cotton. | 7% | 1942 | May 1 | 110 |

| Stocks Issues: | Rate | Stock | Date | Price |
|---|---|---|---|---|
| G. Tamblyn† .. | 7% | Pref. | Apr. 1 | 110 |
| Cosmos Imp. .. | 7% | Pref. | Apr. 1 | 105 |

†$150,000 drawn by lot for sinking fund purposes.

## Listed Bonds

Week Ending Feb. 3, 1936

|  | Int. rate | Due | High | Low | Range 1936 High | Range 1936 Low |
|---|---|---|---|---|---|---|
| Abitibi ...... | 5 | '53 | 43⅛ | 43 | 43⅛ | 43 |
| Mtl. L. H. & P. Debs. ...... | 3 | .39 | 50⅞ | 50⅛ | 50⅞ | 50 |
| McNish ...... | 6 | '48 | 3.50 | ... | 3.60 | 3.50 |

## THE VICTORIA TRUST AND SAVINGS COMPANY

### Fortieth Annual Meeting

The Directors of the Company have pleasure in submitting herewith the Fortieth Annual Report for the year ending December 31st, 1935, duly audited.

### BALANCE SHEET, DECEMBER 31st, 1935

**ASSETS**

|  |  |  |
|---|---|---|
| **CAPITAL ACCOUNT** |  |  |
| Office Premises and Land, Lindsay & Cannington..$ |  | 26,495.30 |
| **Other Real Estate—** |  |  |
| Farm Property |  | 84,785.19 |
| City Properties |  | 160,587.74 |
| Advances to Estates and Agencies Under Administration |  | 11,874.45 |
| Accrued Fees and Charges for Administering Estates |  | 700.00 |
| **Mortgages and Agreements For Sale—** |  |  |
| Principal | $1,052,708.69 |  |
| Interest Due and Accrued | 95,247.93 | 1,147,956.62 |
| **Bonds and Debentures—** |  |  |
| Government, Ontario Municipal, School District and Rural Telephone Bonds..$ | 54,839.83 |  |
| Foreign Government and other Bonds .. | 121,509.56 | 176,349.39 |
| Stocks |  | 1,883.49 |
| Loans on Company's Stock |  | 27,139.96 |
| Loans on Other Securities |  | 62,887.99 |
| Cash on Hand and in Bank |  | 36,553.57 |
| **Total Capital Assets** |  | $1,737,193.70 |
| **GUARANTEED TRUST ACCOUNT** |  |  |
| **Mortgages—** |  |  |
| Principal | $5,242,285.86 |  |
| Interest due and Accrued | 319,529.37 | 5,561,815.23 |
| **Bonds and Debentures—** |  |  |
| Government and Government Guaranteed Bonds ..$ | 402,010.10 |  |
| Canadian Municipal, Rural Telephone and School District Bonds | 199,615.49 |  |
| Canadian Corporation Bonds | 51,845.21 | 653,470.80 |
| Loans on other Securities |  | 8,782.68 |
| Cash on Hand and in Banks |  | 82,668.88 |
| **Total Guaranteed Trust Assets** |  | 6,306,737.59 |
| **ESTATES DEPARTMENT** |  |  |
| Investments, etc., held in Trust for Estates and Agencies |  | 964,275.95 |
|  |  | $9,008,207.24 |

**LIABILITIES**

|  |  |
|---|---|
| **CAPITAL ACCOUNT** |  |
| Capital Stock subscribed and fully paid.. | $ 810,000.00 |
| Reserve Fund | 500,000.00 |
| Investment Reserve | 385,000.00 |
| Reserve for Federal Income Taxes payable 1936 | 7,000.00 |
| Dividend declared and payable January 2nd, 1936 | 12,150.00 |
| Balance due to Mortgagors | 14,181.00 |
| Balance at Credit of Profit and Loss Acct. | 8,862.70 |
| **Total Capital Liabilities** | $1,737,193.70 |
| **GUARANTEED TRUST ACCOUNT** |  |
| Guaranteed Investment Receipts | $4,889,442.22 |
| Trust Deposits | 1,417,295.37 |
| **Total Guaranteed Trust Liabilities** | $6,306,737.59 |
| **ESTATES DEPARTMENT** |  |
| Estates Trusts and Agency Account | $ 952,401.50 |
| Due to Company Funds | 11,874.45 |
|  | $9,008,207.24 |

**DIRECTORS.**

W. FLAVELLE, President.
T. H. STINSON, K.C., H. J. LYTLE, Esq., Vice-Presidents.
J. B. BEGG, Esq.
WESLEY WALDEN, Esq.
C. E. WEEKS, Esq.
CANON C. H. MARSH, D.D.
H. J. McLAUGHLIN, K.C.

Manager—C. E. WEEKS.
G. A. WEEKS, Estates Manager.
Assistant Manager—NEWTON SMALE.
G. H. SHIPMAN, Manager, Cannington.

## *Dominion Stores Reports Third Consecutive Gain*

Dominion Stores started off 1936 on the right foot, sales in the four weeks ended Jan. 25 last showing an increase of 15.2 per cent over the corresponding period of 1935. In the 1935 period, sales declined 10.7 per cent as compared with the first four weeks of 1934.

Sales of Dominion Stores started to decline at the end of 1931 and continued steadily downward until Nov. 1, 1935. In this period, however, unprofitable stores were eliminated, the number of stores being reduced from 572 to 489. In the four weeks ended Nov. 30, 1935, the tide turned and an increase in sales reported. Increased sales continued in the two subsequent four-week periods.

Sales in the four weeks ended Jan. 25 last amounted to $1,413,478, which is higher than for the corresponding period in any of the previous three years. Sales in the first four weeks of 1935 amounted to $1,226,611. In the 1936 period there were three less stores operating than at the beginning of 1935.

## Acadia Apartments

### Situation is Unchanged

From Our Own Correspondent

MONTREAL.—No material change has taken place in the situation surrounding Acadia Apartments since publication of the annual report for the year ended April 30, 1935. One or two additional apartments have been leased and the building is now about 90 per cent rented. Earnings do not show any material change, while tax payments are being kept up to date.

The liquid position of the company remains much the same as at the end of last April and it is likely that the company will pay another coupon next summer.

## *Weekly Record of Financing in Canada*

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

| Municipal— | Date Sold | Sold to | Rate | Due | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| Winnipeg | Jan. | Sinking Fund | 3% | 5-yr. | $1,100,000 | ..... | ..... |
| Hull, Que. | Jan. | L. G. Beaubien & Co. | 4½% | 1936-55 | 130,500 | 97.17 | ..... |
| **Dominion—** |  |  |  |  |  |  |  |
| Canada Treasury Bills | Jan. | ........ | ... | May, 1936 | 30,000,000 | 99.73 | 1.0924 |

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

| Bond Issues— | Date Issued | Offered by | Rate | Due | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| Can. Pacific Railway | Feb. | Wood Gundy & Co. and syndicate | 3%<br>3½% | Ser.<br>1951 | $5,000,000<br>10,000,000 | 100<br>94.40 | 3%<br>4% |
| **Stock Issues—** |  |  |  |  |  |  |  |
| Albertan Publishers | Feb. | O. C. Arnott & Co. (With a bonus of common stock with each 2 preferred shares). | 5% | Pref. | 28,000 shs. | $25 | ..... |
| Porcupine Watborn Gold Mines | Feb. | G. D. Martin & Co. | ... | Treas. | 100,000 shs. | 20c | ..... |

CANADIAN GOVERNMENT AND MUNICIPAL BONDS

•

WE ARE GLAD TO MAKE OFFERINGS OF ALL THE MORE ACTIVE CANADIAN ISSUES ON REQUEST

•

BELL, GOUINLOCK & CO.
LIMITED
MONTREAL 25 KING STREET WEST WINNIPEG
TORONTO, CANADA
TELEPHONE: ELGIN 2236

The number of manufacturers and other business executives who find The Financial Post a valuable source of information is steadily growing. Today, approximately half of the total of all subscribers are in this category.

*New Issue*

## $15,000,000

## Canadian Pacific Railway Company

### 3% Serial Collateral Trust Bonds

### 3½% Convertible Collateral Trust Bonds

(Non-Callable)

To be dated February 15th, 1936 — To mature February 15th, 1937-1941 and 1951

Principal and semi-annual interest (February 15th and August 15th) payable in principal Canadian cities, in lawful money of Canada. Coupon bonds in denominations of $1,000 and $500 registerable as to principal only. Fully registered bonds in denominations of $1,000, $5,000 and $10,000. Coupon bonds in denomination of $1,000 and fully registered bonds interchangeable. Bonds will bear interest as from February 15th, 1936.

**The Royal Trust Company, Montreal, Trustee**

The 3% Serial Collateral Trust Bonds are not convertible. Bonds maturing 1951 will be convertible at the option of the holder at any time during the period beginning February 15th, 1937, and terminating February 15th, 1944 (inclusive of both days) into shares of the Ordinary Capital Stock of the Company, in the ratio of 4 shares of the par value of $25 each to each $100 principal amount of the Bonds. In the event of conversion of any Bond, interest accrued on each Bond after the last preceding interest date shall not be payable. In the event of change in, or replacement of, the Ordinary Capital Stock of the Company, corresponding variation and adjustment of the conversion privilege will be made.

**Schedule of Maturities**

| Due February 15th | Amount | Coupon | Price | Yield |
|---|---|---|---|---|
| 1937 | $1,000,000 | 3% | 100.00 | 3% |
| 1938 | 1,000,000 | 3% | 100.00 | 3% |
| 1939 | 1,000,000 | 3% | 100.00 | 3% |
| 1940 | 1,000,000 | 3% | 100.00 | 3% |
| 1941 | 1,000,000 | 3% | 100.00 | 3% |
| 1951 | 10,000,000 | 3½% | 94.40 | 4% |

**In the opinion of Counsel, these Bonds will be a legal investment for Insurance Companies under Chapter 45 of the Statutes of 1934 amending the Canadian and British Insurance Companies' Act, 1932.**

*Information from a letter dated February 4th, 1936 from Sir Edward W. Beatty, G.B.E., Chairman and President of Canadian Pacific Railway Company, has been summarized as follows:*

The Canadian Pacific Railway Company was incorporated in 1881. Directly or through its subsidiaries, it now operates a transcontinental railway system in Canada, together with hotels and commercial communication and express services. In addition, it operates passenger and freight steamship services from Canada to Great Britain and the European Continent and to Asiatic Ports, as well as services along the Pacific Coast between Canadian and United States Ports and on Canadian Inland Waters. The railway lines total about 17,000 miles, the main line extending from Saint John, N.B., to Vancouver, B.C. The gross tonnage of ocean, coastal and inland fleets exceeds 409,000 tons.

The new issue of Canadian Pacific Railway Company 3% Serial Collateral Trust Bonds and Convertible Fifteen-year 3½% Collateral Trust Bonds will be a direct obligation of the Company and will be specifically secured by pledge under a Trust Agreement to The Royal Trust Company of Consolidated Debenture Stock of Canadian Pacific Railway Company in the ratio of not less than $125 principal amount of Consolidated Debenture Stock to $100 principal amount of the Bonds from time to time outstanding.

The Consolidated Debenture Stock of the Company is a perpetual obligation authorized by Act of Parliament passed in 1889 and subsequent Acts. By these Acts the Consolidated Debenture Stock is a first charge on the whole of the undertaking, railways, works, rolling stock, plant, property and effects of the Company, including the rights of the Company in the several railways held by it under lease (except lands received by way of subsidy under the terms of the Act authorizing the incorporation of the Company), subject to the payment of working expenses of the railway as defined by law, and to the priorities created by charges existing at the time of the issue of Consolidated Debenture Stock.

The priorities consist of First Mortgage Bonds of the Company aggregating in principal $3,650,000, on which the annual interest charge is $182,500. The annual rentals, to which the Company rights in railways held under lease are subject, amounted in 1934 to $3,625,070. Such of these obligations as are payable in other than Canadian currency are calculated at par of exchange.

The 3% Serial Collateral Trust Bonds and the Convertible Fifteen-year 3½% Collateral Trust Bonds will have priority over $137,256,921 Preference Stock and $335,000,000 Ordinary Stock. As at December 31st, 1934 the assets of the Company exceeded in value its total liabilities, including Preference and Ordinary stocks, by more than $317,000,000, and excluding Preference and Ordinary stocks by more than $790,000,000.

*We offer these Bonds if, as and when issued and accepted by us and subject to the approval of all legal proceedings by Messrs. Tilley, Thomson and Parmenter. It is expected that delivery will be made on or about March 1st, 1936.*

**Descriptive circular gladly furnished upon request.**

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The information contained in this advertisement is based upon statements and statistics which we believe to be reliable. We do not guarantee but believe the statements herein made are true.

# The Financial Post

**Member Audit Bureau of Circulations**

Editor—Floyd S. Chalmers

Business Manager—D. M. Gowdy

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

**The Financial Post Has the Largest Paid Circulation of Any Canadian Financial Paper**

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TORONTO, FEBRUARY 8, 1936

## Wanted: A May Report

ON NUMEROUS occasions The Financial Post has suggested that the Dominion Government should appoint an independent commission to investigate the financial problems of the country and to suggest ways and means to rehabilitate the positions of our heavily-indebted Government. There is ample precedent in the action of Great Britain in having such a survey made by Sir George May in 1931.

Maclean's Magazine, in a current editorial, emphasizes the urgency of our national financial problems, and also reiterates the suggestion for a May commission to investigate fully the entire financial position of the country. It says: "Let it do its work privately and without publicity until such time as its report is concluded. Then give that report and its conclusions the widest possible publicity."

And Maclean's adds:

> "It may be argued that a commission is not necessary; that it is the duty of a government to govern and to sponsor itself such measures as may be necessary to meet emergencies.
>
> "The answer to that is that no government in Canada has yet tackled the debt situation as it ought to be tackled and the likelihood is that no government will, such is the pressure of 'political expediency.'
>
> "No citizen would object to bearing still heavier taxation were he assured that his sacrifices would result definitely in an improvement of his country's position and, therefore, of his own. But so far it has been all burden and no progress."

Canada is in the danger zone of public indebtedness. The average "man on the street" does not recognize the fact. A May report would be useful if only to awaken and inform the public.

## King Edward and Trade

BRITAIN'S new king is expected by the Whaley-Eaton Service of Washington, well-informed commentator on world affairs, to be capable of exerting a very large influence on international policies.

The comment of the Washington service in its current foreign letter is:

> "While the British King is supposed to be aloof from politics, his influence on international policy can be very great. It was the previous Edward who reversed the pro-Germanism of Victoria and constructed the alliances which were operative during the World War.
>
> "The new Edward has very definite ideas of his own. He is said to have a very kindly feeling toward the German people; to prefer a Britain in the rôle, say, of umpire as between France and Germany rather than as a definite ally of either. He may favor return of some colonies to Berlin. His accession, in fact, must have a profound influence on the European political set-up. It is too early to forecast its definite direction.
>
> "Also, Edward has been in close touch with 'business.' As Prince of Wales, he was the Empire's best salesman. He has the trade viewpoint. He believes in practical and rational trade policies. He has a vision of 'a new kind of kingship in a new kind of world.' Moreover, he is an advocate of action."

The Financial Post last week published extracts from numerous speeches delivered by the King when he was Prince of Wales, in which he emphasized his viewpoint on trade, merchandising and advertising. There is every reason to believe that the practical business mind of which he is possessed will work in the direction of policies that will promote a large revival of world trade.

## About Mining Taxes

ONE of the many important issues which Ottawa has to face in preparing the next budget is that of mining taxation.

The industry feels keenly that present taxation schedules are unfair, and are tending to stifle a very vital contributor to Canada's well being.

Making due allowance for the fact that no tax is popular with him who has to pay it, an impartial study of the facts shows that in putting forward their claim, mining men have behind them some very formidable arguments.

It might be, and has been, argued that the mining industry is today shouldering no heavier a tax burden than any other manufacturing industry. But the mining industry differs in three very important respects from other manufacturing industries.

In the first place, the production of metals is, in its early stage, entirely speculative. Even in its more advanced stage, the speculative element is unusually strong. The peculiarities of Canada's geological make-up, the vicissitudes of markets, and so forth, make impossible any method of appraising values or possibilities, such as is possible in other manufacturing industries.

Secondly, the mining industry differs from others inasmuch as its principal asset, which is the ore, is a wasting asset. Once it is removed from the ground, it cannot be replaced. Every day's operation shortens the potential life of the mine. This is a direct reversal of the outlook facing any other manufacturing concern.

The third difference between the mining industry and others lies in the fact that a tax placed on profits or production of a mine cannot be passed on to consumers, but must be borne by the producers. The producers, of course, are the employees and the shareholders, the men and women who have risked their money to develop the property.

That the amount which the mining industry has had to contribute to the cost of government has grown tremendously in the past six years is apparent from the annual report of the larger mines.

The following short but impressive table shows the percentage of operating profits which Canadian mines have had to pay directly to the Dominion, provincial and municipal governments in taxation:

| | |
|---|---|
| 1930 .................................. | 8.1 per cent |
| 1931 .................................. | 11.0 per cent |
| 1932 .................................. | 12.4 per cent |
| 1933 .................................. | 13.3 per cent |
| 1934 .................................. | 21.1 per cent |

It is generally conceded that an allowance of 50 per cent on the operating profit should be made to compensate for the wasting of the ore reserves. On this basis, therefore, the above percentages represent only about half as much as is actually taken on the real profit.

The 1935 average cannot yet be estimated exactly, but from early reports, it appears that the metal mining industry will pay an amount equal to about 40 per cent of its real net profits for taxation in 1935.

These figures are in striking contrast to the opinion expressed in 1927 by Professor G. R. Mickle, mine assessor for the Province of Ontario. He said: "Long experience appears to show that the maximum amount which may be taken from anyone engaged in a business involving hazard, without discouraging him, is about ten per cent."

That the amount being taken from those engaged in mining, a business of considerable hazard, has far exceeded this "maximum," is apparent.

## Toronto's Budget Problem

TORONTO is facing a budget problem due to maturity of serial debentures issued for unemployment relief. There is also the problem of how to pay for a greater proportion of relief expenditures from current revenue.

Increasing real estate taxation is viewed as likely to depress property values further and discourage building by Alderman J. B. Laidlaw, chairman of the civic taxation committee. He therefore proposes new taxes to take care of increased expenditures, as follows:

| Add. Expenditures, 1936: | | To be Provided by: | |
|---|---|---|---|
| 1935 deficit ... | $ 400,000 | Taxing utilities ........ | $1,000,000 |
| 1/5 of 1936 relief ........ | 600,000 | Taxing automobiles .... | 700,000 |
| Incr. debt charges .... | 1,000,000 | Incr. in deduction from civic wages. | 800,000 |
| Incr. in relief paid from revenue .... | 400,000 | | |
| | $2,400,000 | | $2,500,000 |
| **Add. Expenditures, 1937:** | | **To be Provided by:** | |
| Incr. debt charges .... | $ 500,000 | 1½% wage tax ........ | $1,500,000 |
| Incr. in relief paid from revenue .... | 1,000,000 | | |
| | $1,500,000 | | $1,500,000 |

The alternative to new taxes is an increase in the mill rate on real estate to 36.25, according to Mr. Laidlaw. While the mill rate could be raised by council, the proposed new taxes could only be levied after running the gauntlet of city council and the Ontario legislature.

Toronto is a long way from solution of the problem of paying for relief expenditures. Nothing is to be gained by deferring the day of reckoning further. The sooner the necessity for reform of the civic budget is brought home to citizens, especially those who are not tax collectors, the better. There is no more effective way of accomplishing this than by imposing direct levies such as wage taxes and possibly sales taxes. The disadvantages of higher taxes would be offset by a wider demand for civic economy.

What applies to Toronto applies to scores of other cities in Canada.

## A Major Export

ONE feature of Canadian life insurance often overlooked is the tremendously constructive job which our own companies are doing for the Dominion in various parts of the world. For life insurance is one of the most important items entering into Canada's invisible balance of trade.

At the present time Canadian companies have almost three billion dollars worth of insurance in force in various parts of the world. This is spread among no less than 54 countries and if one uses the rule of thumb measure that it takes one head office clerk to look after each million of business in force abroad, then a community almost as big as Galt, Ontario, could be sustained year in and year out by simply handling the daily flow of life insurance business into Canadian head offices from abroad.

There is much point then to the remarks of Charles S. Macdonald, president of the Confederation Life Association at the recent annual meeting of that company when he stressed the fact that this development of the life insurance business abroad by Canadian companies is something of which all Canadians might well be proud as "bearing evidence of the confidence which peoples in other countries have in the good faith and integrity of Canadian institutions."

Mr. Macdonald warned, however, that "loss of confidence in the determination of some of our legislatures and municipalities to fulfill their contractual obligations has undoubtedly hampered Canadian agency organizations operating outside of Canada."

This business has been carefully built up over the space of half a century. One or two short-sighted acts by politicians could easily mar what has been for years one of the brightest spots in Canada's international record.

## Borrower and Lender

A PLEA for the repeal of moratorium legislation was made at the annual meeting of the Canada Permanent Mortgage Corporation by F. Gordon Osler, the president. Not only is such legislation unsound but the benefits from it are more imaginary than real, Mr. Osler contended.

One basic weakness in mortgage moratoria is the assumption, implicit in them, that there is a vital conflict between the owner of a mortgaged home and the man or institution which holds the mortgage. On this point, Mr. Osler very strikingly presented the viewpoint of the Companies when he said:

> "The company can prosper only as its clients prosper. It is as deeply interested as is the most paternal government in maintaining the competent farmer on the land and the honest home owner in his home, and it is our experience that the policy, not only of this corporation but of loaning companies generally, has been directed toward this end. The executive officer who proceeded upon the assumption that either he or his company could wax and grow fat on a wholesale programme of foreclosure actions and evictions would have a short official life."

## Who Carries Whom?

PROBABLY some new fuel has been added to an old Maritime fire by the comments of Professor C. R. Fay in a brief review of the Nova Scotia Royal Commission's report contained in the January-February number of International Affairs.

To start with, he says bluntly, that from his personal observations when he was in Canada, "the Maritime Provinces have no grievances and that on the contrary they have a fertile, low-price land with a rich hinterland of lumber and minerals, and easier climate and a better overseas market than British Columbia on the other side of the continent."

Referring to the report itself, Professor Fay, who was once on the staff of the University of Toronto but now lives in Great Britain, concludes his comment by the observation that "Nova Scotia seems to imagine that the rest of Canada has to pay her for entering Confederation by a series of dis-economies which, by weakening the Confederation, would weaken each part of it." Ontario and Quebec, he avers, "are today carrying the Dominion, and too little credit is given them for their courageous assumption of this Herculean task."

Professor Fay pays much tribute to Dr. Harold Innes for the part he played in preparation of this report, and he might better have taken a leaf from the Toronto professor's book by reference to what is undoubtedly the pith and substance of Dr. Innes's view, namely, that our national policy, while it proved "admirably adapted to the economic development of the continent" in the early days, has as a result of the relative disappearance of expansion necessitated the elaboration and development of a policy suited to new needs.

In short, we get practically nowhere by the Maritime pot calling the Central Ontario kettle black, or vice versa. What we do need is some constructive thinking, as Dr. Innes suggests, "to ascertain whether or not the national protective policy established now almost 60 years ago and primarily suited to a period of rapid expansion, must now be re-oriented to suit a more static national economy."

Professor Fay's comments make good newspaper headlines, but they hardly throw any real light on the very pertinent question "Where do we go from here?"

## *Sayings of the Week*

"National prestige is a reputation for the will to war."—*A. A. Milne.*

* * *

"Enthusiasm is the element of success in everything."—*Bishop Doane.*

* * *

"You clean men as you clean milk pails, by scalding them."—*George Bernard Shaw.*

* * *

"Fortunately Hinduism has been spared the creeping paralysis of organization."—*Boshi Sen.*

* * *

"The stock market should and can be run as honestly as a vegetable market."—*Henry Ford.*

* * *

"The man who permits himself to be cheated is just as bad as the man who cheats him."—*Henry Ford.*

* * *

"The only liquid which I can honestly say ever inspired me is bath water, applied externally."—*J. B. S. Haldane.*

* * *

"The middle ages were unaware of the League of Nations, but recognized the laws of chivalry."—*Andre Maurois.*

* * *

"Every violation of truth is not only a sort of suicide in the liar, but is a stab at the health of human society."—*Emerson.*

* * *

"It is good, now and then, for solemnity's nose to be tweaked, for human pomposity to be made to look ridiculous."—*Aldous Huxley.*

* * *

"As a people, we may look back upon the depression with justified pride in our record."—*Morris W. Wilson, president, The Royal Bank of Canada.*

* * *

"Nationalism and internationalism are not irreconcilable opposites, but counter balances which keep the nations in equilibrium."—*Rebecca West.*

* * *

"The democratic principle has never yet had a fair chance in politics because of militarism, general poverty, ignorance and difficulty of communication."—*Beni Prasad.*

* * *

"A great problem of all English-speaking countries is that they have established a standard of living which cannot be maintained in face of world competition."—*Brig.-Gen. F. E. Burnham.*

* * *

"There is no service of the state more honorable or more valuable than the service of men and women who, as aldermen or councillors, will take their share in guiding the fortunes of their city or countryside."—*H.M. King Edward VIII.*

* * *

"Over the door of the new building of the League of Nations might well be inscribed, though in a different context, the famous cynicism of the old regime, 'After me, the flood'."—*Sir Arthur Willert, press officer, the Foreign Office, London.*

## *In the Mail*

### "Raids by Promoters"

Editor, The Financial Post:

I have noticed what you said about Ontario's so-called repudiation.

Poppycock! You are like a lot of others, blind to the real situation.

Ontario's bonds will be safer as a result of Hepburn's action in showing that the public treasury will be guarded properly from the raids of promoters. In the long run Hepburn will be proved to be right. Why kowtow to the brokers? Get your paper out of such nonsense. Be strong and sane.

COMMON SENSE,

Moncton, N.B.

Editor's Note:—Ontario still continues to pay interest on the bonds sold to raise money for the construction of Ontario's half of the Chat Falls project and for the purchase of the Ontario Power Service plant in Northern Ontario? If the Quebec contracts were "raids of promoters" were these not deserving of the same appellation?

The Financial Post has not attempted to justify the Quebec contracts as provident. Time has in fact proved that hydro bought over-enthusiastically. But their contracts were passed by the people's chosen leaders. Is the remedy now to be found in the destruction of the province's reputation for meeting its obligations? If that were a remedy, Canada could get out of its railway problem by disavowing guarantees of C.N.R., G.T.P. and G.T.R. bonds loaded on the public by promoters and politicians.

Let Premier Hepburn and our other public men safeguard the public treasury from raids of promoters. In doing so, they will have The Post's support.

### A Widow Speaks

Editor, The Financial Post:

I was given a year's subscription to your fine paper, which I consider the most interesting present I have had in a long time, because your weekly issue contains so much public news that no other paper I have seen in Canada comments upon so freely.

I want to thank you for the stand you have taken with reference to the repudiation by our Ontario government of the power bonds—especially of Beauharnois which, I am informed, is the first time such a thing has happened in the British Dominions.

Some of us widows living here, who invested in the Beauharnois bonds when they first came out at their highest market price, are fearful that we may lose all, because unfortunately through not understanding the situation when they were exchanged, we chose the five per cent second mortgage bonds for our original ones.

We women have been advised to write to the heads of the Federal and the Ontario governments, protesting the action of the latter in this matter, but I am afraid our letters will have little effect unless there is some concerted action by a larger number of bondholders.

One prominent man here said: "There has not been enough publicity given to this matter," and I have wondered why other bank men did not follow M. W. Wilson of the Royal Bank in condemning such actions by politicians.

Doubtless this Ontario government attracts many to its fold with its cry of "taking from the rich to give to the poor"—but why not apply that to its own members?

WIDOW

Ottawa.

### New Uses for Wheat

Editor, The Financial Post.

I commend to your attention the following joint statement from the Departments of Agriculture and Trade & Commerce (Ottawa) relative to the wheat situation:

> "It should be noted that in view of the greatly reduced world import demand the wheat produced by a normal yield, on an acreage similar to that sown in 1935, would be difficult of disposal."

That is a most depressing type of conclusion to broadcast to the people of Canada with reference to their chief trading commodity—wheat. I find a high content of inertia in that official assertion; distinct traces of cowardice; something of a death sentence on the prairies; and the first intimation from the present administration that they don't know what to do, so are doing nothing.

statement with the following forth-statement with the following forthright and resourceful note from an editorial which attracted me last October in a Toronto periodical:

> "Canadian scientists should be conscripted to unravel agriculture's greatest riddle: Development of a by-product of wheat, commercially feasible and capable of industrial uses. The destiny of the Canadian farmer is not in the world wheat market. It is awaiting its discovery in tomorrow's test tubes."

I am of the opinion that urban executives (if faced with the same problem in their own businesses) would take action fast, in the direction of "new uses" for wheat. One of these days these busy gentlemen are going to wake to the realization that the wheat surplus problem is their problem. In the meantime the precious months go by, and apparently all we know is how to grow the grain, and house it in such excellent technique that Liverpool corn buyers can sit back and smile—"there's nothing to worry about."

As one of your readers, I desire to protest against this "milquetoast" attitude of official Canadians toward the wheat future.

"FARMER."

## *As Others See Us*

### A Royal Commission

St. Catharines Standard

The Financial Post has urged and is still urging a Royal Commission charged with full and complete enquiry into the entire structure of Canadian finance.

A Royal Commission functioned in the United Kingdom in 1931. The heads of the then government knew the financial condition of the Kingdom was bad. How bad they did not know.

When the report of the Commission was presented after great industry applied under high pressure, the situation was found to be far worse than ever anticipated by Prime Minister MacDonald or his Chancellor, then Philip Snowden.

It is just possible that Canada may wake up some day to similar unwelcome news and facts.

In Britain, the leaders and the people took the bit in their teeth, elected a new government with a clear mandate for economy, balanced the budget and there is now more money to spend on special services than ever.

In a new country like Canada, where democracy secures so much lip-service could there be emulation of the British example of patriotism which, after all, under intelligent and honest leadership was merely saving the Ship!

### Programme of Government

Pembroke Bulletin

A despatch from Ottawa to The Financial Post, Toronto, says:

"This year's federal deficit, contrary to some reports, will be about $116 millions. The government proposes to cut this in half in 1936-37 and to show an over all surplus in 1937-38.

"The federal drive will be for economy.

"Nothing in the form of 'work and wages,' gargantuan housing schemes, costly social reforms, will lure the government from its selected path, it is stated.

"A minimum of tinkering with statutes, and a thumbs down policy on social legislation, are to be government policies."

We do not think that the public, generally speaking, will take exception to a programme of this character. If thumbs had been turned down on a whole lot of our paternal legislation years ago life would be far easier for the taxpayers today.

## *Other People's Views*

### Penalizing Canadians

Canadian Printer & Publisher

Despite handicaps, Canadian papers will continue to be the best in the world for Canadian readers.

They alone defend the interests of the Canadian people.

Unfortunately, they alone among the world's periodicals have to pay excessive costs through tariffs and special taxes.

All others enter Canada FREE.

The tariffs, sales and excise taxes which increase the cost of Canadian production are in effect a subsidy to foreign publishers.

The Canadian government removed the tariffs and special taxes applying to United States periodicals.

Will the Canadian government remove the tariffs and special taxes which handicap Canadian magazines in their own country and penalize Canadian authors, craftsmen and workers?

As things are, it would pay any Canadian publisher to move to the United States and cater to his own public as an exile.

### Credit and Confidence

Calgary Herald

The basis of credit is confidence.

Credit is an intangible thing. Where confidence is lost credit and good money disappear. Capital can flit from city to city and from country to country with remarkable speed. Where it is welcomed and protected it stays. Where there is danger of confiscation or loss it disappears. The rights and wrongs of the situation are not under discussion but the actualities. Over long centuries people with money to invest have found that safety for their savings is not always easy to obtain. Even with governments necessity knows no law and promises to investors have often been disregarded.

What maintains the credit of governments is balanced budgets and strict adherence to the letter of the bond. The credit of banks is maintained by confidence in their resources and their record. Launching into untried experiments either by governments or banks creates a lack of confidence on the part of people with savings.

### A Priceless Asset

The Sphere, Washington

Every nation has its own particular genius, and that of America is a genius for business. This is the nation's greatest asset. Tear down the buildings, destroy all the producing establishments, spread material destruction throughout the Continent, but still, if the enterprise of the individual, this genius for business and production, remained, the future would be as of the dawn.

"I have two hundred millions in my coffers," said Napoleon, "and I would give it all for Ney."

It is vision that makes a country great—not the sum total of the population, but the tall men whose eyes can see over the shoulders of the crowd. Such men, in human history heretofore, have focused their ambitions on military conquests. Here, under a free economy, their triumphs have been in workshops, in transportation, in the upbuilding of commerce, for profits.

As between the achievements of producing industrialists and the accomplishments of political command, there is no choice. The one has raised our standard of living to unprecedented heights; the other merely takes its toll.

A budget deficit is bad, with its mounting debt, but it is as nothing in comparison with that onrush toward bankruptcy which comes from the subordination of individual initiative to mass political control. Our supreme asset is the capacity of our industrial and business management. Liquidate that, and you invite catastrophe.

## *Stop Me If You've Heard This One*

One of Theodore Roosevelt's standing favorites concerned some cowboys who, after catching a supposed horse thief, discovered to their dismay that they had caught and executed the wrong man. One among them who had a reputation for tact was selected to break the news to the victim's wife.

"Are you the wife of Jack Smith?" The impromptu diplomat began.

"Yes," the woman replied. "No, ye ain't neither, you're his widow," proceeded the tactful one. "I have his body out yonder in the wagon. We hung him for hoss lifting. But there's no need to feel bad about it. We found out later that he was not the guy we wus looking for. The joke is on us."

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# Week in Business

## Commodity Inventories Decline

* * * *

## Export Trade Still Lagging

One important feature of business as 1936 gets under way is the encouraging disappearance of long-accumulated stocks and inventories of both raw and finished goods. Figures compiled by the United States Department of Commerce show world stocks of raw materials for 8 key commodities are currently 25 per cent below the peak of 1932. Although still 100 per cent above the average for 1923-25 they are currently at the lowest point since early in 1930. In the past twelve months, for example, the index has showed steady improvement which has been reflected fairly consistently in increasing prices for these commodities. The eight commodities are coffee, cotton, rubber, silk, sugar, tea, tin and wheat—the latter index having dropped during 1935 by 17 per cent.

Canadian inventory figures are available for only a limited number of commodities but such as are available reflect for the most part the same healthy trend.

* * * *

Analysis of year-end results and figures continue to reveal the vital importance to continued business recovery in Canada of a larger share in export trade. Figures could be cited from half a dozen key industries in Canada to indicate that while domestic production gained there was still a lag in sales abroad. Two outstanding examples are sugar and flour. Thus year-end figures for sugar refining show for example a 6 per cent gain in domestic shipments but a drop of 40 per cent in exports. Equally glaring figures could be shown for flour milling. Revival of export trade in the world and of Canada's share therein are front rank indices to be watched for 1936.

* * * *

And meanwhile evidence continues to indicate that the year has started quietly as far as Canadian business is concerned. Weekly carloadings fell even farther behind both 1934 and 1935 totals for the week of January 25 but to what extent this was influenced by the day of mourning for George V remains to be seen. Loadings in eastern Canada were the lowest in nine weeks.

# Business Indicators

## Changes of the Week

*Favorable:*

Weekly gross earnings of railways; December net earnings of C.P.R.; building contract awards; sugar meltings and shipments; flour production; retail trade index; employment; coal imports and used car financing.

*Unfavorable:*

Carloadings; bank debits.

### Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

| WEEKLY DATA | Latest 1936 | Latest 1935 | Cumulative Total Jan. 1 to date 1936 | Cumulative Total Jan. 1 to date 1935 |
|---|---|---|---|---|
| **Transportation—** | | | | |
| Car loadings (Jan. 25) | ▲39,006 | 42,407 | 153,767 | 157,903 |
| C.P.R. gross earn. (Jan. 31) | $ ▲3,102,000 | $ 2,530,000 | $ 9,323,000 | $ 7,766,000 |
| C.N.R. gross earn. (Jan. 31) | $ ▲4,202,337 | $ 4,112,066 | $ 12,342,534 | $ 12,110,286 |
| **Business Conditions—** | | | | |
| Weekly index D.B.S. (Jan. 25) | ▲104.6 | 101.8 | ...... | ...... |
| **MONTHLY DATA** | 1935 | 1934 | 1935 | 1934 |
| **Business Conditions—** | | | | |
| Financial Post index (Dec.) | 109.0 | 106.7 | ...... | ...... |
| **Transportation—** | | | | |
| C.P.R. net earnings (Dec.) | $ ▲3,306,013 | $ 3,171,408 | $ 22,397,523 | $ 24,384,023 |
| C.N.R. net revenue (Nov.) | $ 2,335,158 | $ 1,700,014 | $ 12,130,957 | $ 11,651,947 |
| **Iron and Steel (Dec.)—** | | | | |
| Pig iron production (tons) | 70,647 | 42,364 | 599,794 | 404,995 |
| Steel ingots and castings prod. (tons) | 96,888 | 58,732 | 935,682 | 757,782 |
| **Automobiles (Number)—** | | | | |
| Passenger Car: | | | | |
| Domestic sales* (Nov.) | 5,180 | 1,155 | 77,602 | 59,854 |
| Factory output (Dec.) | 11,370 | 1,953 | 139,681 | 92,157 |
| Trucks and Buses: | | | | |
| Domestic sales* (Nov.) | 805 | 536 | 16,729 | 11,322 |
| Factory output (Dec.) | 2,405 | 779 | 33,253 | 24,733 |
| Exports (Dec.) | 13,775 | 2,694 | 172,934 | 116,852 |
| **Construction—** | | | | |
| Building permits (Dec.) | $ 2,390,014 | $ 2,521,820 | $ 46,236,702 | $ 27,457,524 |
| Contracts awarded (Jan. 1936) | $ ▲13,610,400 | $ 10,220,100 | ........ | ........ |
| **Newsprint (tons)—** | | | | |
| Production (Dec.) | 244,732 | 239,544 | 2,753,289 | 2,507,641 |
| Exports (Dec.) | 277,743 | 245,135 | 2,574,967 | 2,399,606 |
| **Sugar (lb.)** | | | | |
| Melting & shipments§ | ▲63,639,724 | 48,476,435 | 876,813,650 | 796,933,186 |
| Manufactured§ | ▲38,679,521 | 55,876,949 | 980,625,260 | 874,667,063 |
| **Flour (bbls.)** | | | | |
| Production (Dec.) | ▲957,219 | 953,205 | 14,208,802 | 14,655,062 |
| Wheat flour exports (Dec.) | 443,828 | 340,751 | 4,881,057 | 5,053,732 |
| **Trade (December)—** | | | | |
| Retail trade (index no. of sales) | ▲76.8 | 71.1 | ...... | ...... |
| Imports (Dec.) | $ 38,569,182 | $ 39,107,248 | $ 550,314,551 | $ 513,469,497 |
| Exports (Dec.) | $ 58,419,223 | $ 61,275,223 | $ 729,293,880 | $ 653,312,228 |
| Wheat exports (bush.) (Dec.) | 17,043,882 | 17,336,206 | 165,173,111 | 167,912,369 |
| **Employment, D.B.S. Index (Jan. 1)—** | | | | |
| All industries | ▲99.1 | 94.4 | ...... | ...... |
| Manufacturing | ▲96.8 | 91.3 | ...... | ...... |
| **Electric Power Output (Dec.)—** | | | | |
| Total monthly (000's omitted) | 2,156,525 | 2,052,940 | 22,039,822 | 19,910,723 |
| Aver. daily | 69,565,000 | 66,224,000 | ........ | ........ |
| **Other Industrial Indices—** | | | | |
| Lumbering: | | | | |
| Plank & board exports M. bd. ft. (Dec.) | 111,523 | 98,238 | 2,237,041 | 1,367,602 |
| Boot & shoe prod., pr. (Nov.) | 1,706,149 | 1,316,118 | 20,146,700 | 17,321,807 |
| Crude petrol., imp. gal. (Dec.) | 55,639,590 | 47,613,461 | 1,156,790,504 | 1,075,157,969 |
| Cotton imports, lb. (Dec.) | 22,186,866 | 18,800,000 | 120,626,583 | 143,674,266 |
| Raw rubber imp., lb. (Dec.) | 5,745,825 | 6,380,712 | 60,189,503 | 63,701,154 |
| Coal imports, tons (Dec.) | ▲800,581 | 783,685 | 13,009,098 | 13,813,657 |
| **Finance—** | | | | |
| Bank debits (Dec.)† | $ ▲2,932,304 | $ 3,040,167 | $ 31,546,066 | $ 32,866,673 |
| Bond sales (Dec.) | $ 94,929,500 | $ 46,777,239 | $ 980,137,390 | $ 651,763,840 |
| Life insurance sales (Nov.) | $ 35,158,000 | $ 35,863,000 | $ 332,836,000 | $ 342,023,000 |
| **Automobile Financing—** | | | | |
| Used cars (Dec.) | $ ▲942,024 | $ 603,813 | $ 17,931,608 | $ 13,726,728 |
| New cars (Dec.) | $ ▲1,285,656 | $ 456,180 | $ 22,410,656 | $ 16,364,735 |

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to Dec. 31.

# Motor Car Registrations Gain 4 Per Cent in 1935

Automobile registrations in Canada increased four per cent during 1935 according to a telegraphic survey of provincial figures undertaken by Canadian Automotive Trade. The total for 1935 is placed at 1,164,353 cars of which 988,976 are passenger cars and the remainder commercial vehicles.

Passenger car registrations are estimated as being 3.84 per cent higher than a year ago while commercial registrations gained 5.15 per cent.

Uniform gains of over four per cent were made in both Ontario and Quebec—the two major motoring provinces of the Dominion. All provinces showed an increase varying from fractional gains on the part of Manitoba and P. E. I. to an increase of 7.5 per cent for the Yukon.

Comparative figures for each province follow:

ESTIMATED 1935 REGISTRATIONS IN CANADA

| | Passenger Cars 1935 | Passenger Cars 1934 | Passenger Cars Gain or Loss | Commercial Vehicles 1935 | Commercial Vehicles 1934 | Commercial Vehicles Gain or Loss | Total Registrations 1935 | Total Registrations 1934 | Total Registrations Gain or Loss |
|---|---|---|---|---|---|---|---|---|---|
| B. C. | 77,687 | 73,997 | +5 | 17,601 | 16,529 | +6.5 | 95,288 | 90,526 | +5.2 |
| Alta. | 76,562 | 73,444 | +4.2 | 16,444 | 15,456 | +6.4 | 93,006 | 88,900 | +4.6 |
| Sask. | 75,725 | 74,050 | +2.3 | 18,700 | 17,053 | +9.7 | 94,425 | 91,103 | +3.6 |
| Man. | 59,360 | 59,285 | +0.126 | 10,580 | 10,555 | +0.24 | 69,940 | 69,840 | +0.15 |
| Ont. | 489,610 | 470,617 | +4 | 69,960 | 67,160 | +4.2 | 559,570 | 537,777 | +4.1 |
| Que. | 141,986 | 135,411 | +4.9 | 28,658 | 27,671 | +3.6 | 170,644 | 163,112 | +4.6 |
| P. E. I. | 6,453 | 6,409 | +0.7 | 796 | 774 | +2.8 | 7,249 | 7,183 | +0.92 |
| N. B. | *25,500 | 24,617 | +3.6 | 4,579 | 4,332 | +5.7 | 30,079 | 28,940 | +3.9 |
| N. S. | 35,957 | 34,443 | +4.4 | 7,941 | 7,160 | +10.8 | 43,898 | 41,603 | +5.5 |
| Yukon | 136 | 127 | +7.1 | 118 | 109 | +8.3 | 254 | 236 | +7.6 |
| | 988,976 | 952,430 | +3.84 | 175,377 | 166,799 | +5.15 | 1,164,353 | 1,119,226 | +4 |

*Estimated. Commercial vehicles include buses, trucks, ambulances, fire trucks and hearses.

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## New Truck Line For Hudson Motors

Hudson Motors of Canada, Ltd., will shortly enter the Canadian field with a new line of commercial vehicles. Previously the company has handled only passenger cars.

The new line is designed to serve delivery and express fields with a special line of models for farm use. The trucks will be powered with Terraplane 6 motors of 88 and 100 horsepower and will be of solid steel construction.

For the time being the new trucks will be imported directly from the company's parent plant in the United States and no Canadian production will be attempted until the situation regarding the probable extent of the new Canadian market, and also the automobile tariff situation are clarified.

# HIGHER PRICES FOR PULPWOOD ARE FORECAST

## Quebec Forester Says Present Figure Too Low

From Our Own Correspondent

MONTREAL. — Pulp and paper manufacturers cannot continue to expect to secure pulpwood at a price of around $7 a cord, is the opinion of Gustave C. Piche, chief of the Forest Service in the Province of Quebec.

In addressing the closing luncheon of the 23rd annual meeting of the Canadian Pulp and Paper Association, Mr. Piche stated:

"So far as the sale of our private pulpwood is concerned we find that farmers and settlers are unable to dispose of this product at a fair price. The provincial governments have seen their revenues greatly reduced in the matter of stumpage dues, ground rents and so forth while their administration expenses represent 60 per cent and more, of their receipts. Are we going to let this state of affairs continue? Have we not the right to look for a readjustment in prices?"

### Criticize Recent Practices

"To reduce the cost price of pulpwood, you should not resort to lowering the wages of men but rather employ methods which will increase the forest output, and make improvements which will render every section of the forests more accessible.

"Pulpwood, which around 1920 sold readily at $30 a cord, is now selling with great difficulty at less than seven dollars a cord, notwithstanding the fact that pulpwood consumption is at present twice what it was then. Although Canada produces about 50 per cent of all the newsprint manufactured in the world, strange to say it cannot do much to establish the price of paper. Although statistics for 1935 show the production of our Canadian paper mills to have been 101 per cent of the output of 1929, regarded as the banner year, our mills worked only 72 per cent of their rated capacity, whereas formerly the demands for paper scarcely could be met."

## New Butter "Futures" Created By Exchange

From Our Own Correspondent

MONTREAL. — Future contracts for delivery of butter in June and November, 1936, have been called for trading on the Canadian Commodity Exchange.

This increases the total number of future options in butter to five. At present the current month and the two months immediately following are traded in.

Butter production reaches its peak in June and storage holdings are built up during that month and throughout the balance of the pasture season. Sale of storage butter generally started in November. By the addition of June and November contracts, warehouse men are given the opportunity of hedging their summer purchases by the sale of November futures.

## New Maritime Map Issued By Department of Interior

Coastal and inland fishing waters, hunting areas, and features of interest to both tourist and business trades are shown on the new Fredericton-Moncton sheet of the National Topographical and Air Survey Bureau of the Department of the Interior, just issued.

The map covers the southern and central parts of New Brunswick, and portions of Nova Scotia and Prince Edward Island. County and parish boundaries, railways and ferries are included with other data in the 34 by 24 inch map.

### Crop Insurance Deferred

Lack of definite information has led the Saskatchewan Government to defer any legislation providing for a plan of crop insurance.

## Commodity Prices

| | Latest week | Previous week | Same week last yr. |
|---|---|---|---|
| Cattle | $6.75 | $6.50 | $7.00 |
| Hogs | 9.65 | 9.25 | 9.50 |
| Copper, lb. | .09¼ | .09¼ | .09 |
| Cotton, lb. | .1160 | .1195 | .1245 |
| Rubber, lb. | .1506 | .15 | .1267 |
| Sugar, raw, lb. | .0335 | .0335 | .0380 |
| Silk, lb. | 1.85 | 1.88 | 1.40 |
| Wheat Man.) bus. | .83⅜ | .84¾ | .78⅛ |
| Coffee, lb. | .07 | .06⅝ | .09¼ |
| **Weekly Indices** | | | |
| N. Y. Annalist | 128.0 | 127.4 | 123.0 |
| Fishers' | 84.0 | 83.9 | 81.6 |
| N. Y. Jorunal of Comm. | 78.9 | 80.0 | 79.3 |
| Crumps (Brit.) | 68.4 | 68.3 | 64.7 |
| U. S. Labor | 80.2 | 80.2 | 80.6 |
| Canada (D.B.S.) | 72.8 | 72.9 | 71.7 |
| **Monthly Indices** | Latest month | Prev. month | Same last year |
| Canada (D.B.S.) | | | |
| Retail (Dec.) | 80.8 | 80.6 | 78.9 |
| W'sale (Dec.) | 72.6 | 72.7 | 71.1 |
| U. S. Labcr (Nov.) | 80.6 | 80.5 | 76.5 |
| Gt. Brit. (Nov.) | 77.2 | 77.4 | 70.0 |

Note: Indices on all base 1926 = 100. British index is Economist converted to 1927 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price, Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: Sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; select bacons, Toronto.

**Background of Business**

# Fur Prices Higher

## London Auction Supports Early Expectations — New Saskatchewan Motor Fees — Printing Code Impasse

There was good news for the far-flung fur trade in Canada this week when the famous January auction sale at London got under way. Practically all varieties of fur were in strong demand, and expectations of traders were fully realized.

Preliminary cable advices show the following results:

| Skin: | No. for sale | % Sold (%) | Price advance over October % |
|---|---|---|---|
| Beaver | 9,000 | 86½% | 15% |
| Muskrat | .... | 100% | 36% |
| Blue fox | 3,000 | 80% | 10% |
| Cross fox | 3,000 | 98% | 17% |
| Red fox | 35,000 | 78% | 12% |
| White fox | 21,000 | 63% | 5% |
| Marten | 2,400 | 76% | 30% |
| Otter | 2,700 | 89% | 5% |
| Fisher | .... | 100% | 25% |

* * *

### Back to Old Channels

One unusual feature of the sale was that the trade for the first time since the depression shifted back to traditional channels with the exception of United States and Italy.

Usually some 30 merchants from Italy attend the January sales, while this year there were few or none. Usually, too, the U. S. market is the best taker of beaver, and this year American agents had large cable orders to fill but New York misjudged the market and set the limit too low. As a result, Germany, France, and Czechoslovakia outbid them and carried off 80 per cent of the collection. The Americans secured only two lots.

A similar situation developed with musquash, of which only 93,000 skins compared with the usual million were offered. The British trade brought about half, the remainder going to Germany and France. Americans tried to secure finer qualities for special requirements, but failed. Prices were higher than in five years on this commodity.

Price levels at the Dominion Fur Auction at Winnipeg were 5 to 15 per cent above the last year and attendance improved.

* * *

### What Westerners Buy

Looking back on 1935, sales of farm machinery and equipment in Western Canada are reported from 30 to 100 per cent higher than the previous year, despite disappointing final returns for grain and field crops.

Similarly, large replacement demand for saddlery and similar leather products increased sales of this commodity 10 to 25 per cent, while demand for household utensils, such as pots and pans, kettles and dishes, increased also up to as much as 25 per cent.

Other items to gain, according to a survey by Winnipeg Free Press, include groceries, bedding and furniture. Jewellery sales are reported somewhat higher in cities, but business is still at a stand-still in the country. Automobile tire volume is unchanged from 1934.

* * *

### New Motor License Fees

Interesting changes have been made recently in the motor vehicle license fee schedule in Saskatchewan. A low-price $10 fee has been made available to owners of cars of a model prior to 1927, while another important change is the inauguration of $1 drivers' license, renewable annually at that figure, says Canadian Automotive Trade.

Previously, drivers' licenses were issued in perpetuity for 50 cents. This one change alone should net the government additional revenue of between $200,000 and $250,000.

Similarly, car licenses will now last until April, 1937, since the license year is being changed to begin April 1 instead of January 1.

Another important change is the extension of the existing Alberta gasoline tax to cover all grades of fuel oil.

* * *

### Lumber Company Busy

The new year started well for Canadian Western Lumber Company at Fraser Mills, B.C., with the addition last month of a night shift employing 270 additional men.

This brings the company's mill to two-thirds capacity, and gives employment to 500 more men than a year ago. The company's veneer plant is also on a double shift.

The company now employs 1,300 men with the payroll topping $100,000 monthly. The mill is cutting 400,000 ft. every 24 hours. Stocks are low, according to company officials, while demand for export business both to the United States and Great Britain is strong. Last year, the company bought a new veneer plant at a cost of $100,000.

* * *

### Printing Code Impasse

Despite several months of negotiations to effect a code for the printing industry in the Toronto zone under the Ontario Industrial Standards Act, negotiations have broken down and an impasse has resulted, according to Canadian Printer & Publisher.

An agreement had been signed by both employers and employees of a negotiating committee, providing for conciliation and arbitration in the determination of all wages, hours and shop conditions. This agreement was later repudiated by members of the International Labor Union who had been a party to it. The latter claimed this provision would take away their right to call a strike. Employers pointed out they would be under equal obligation to refrain from imposing a lock-out.

A similar fate has met the engraving industry which attempted an agreement for this branch of the Graphic Arts throughout the whole province. Despite the support of Toronto newspapers (all of which run Union shops) and a few engraving firms in the commercial field, negotiations met strong opposition from other firms and many provincial dailies.

* * *

### Seek Toronto Air Rights

Latest project in the commercial aviation field is the proposal of Inter-Continental Airways Co. to seek a five-year franchise with headquarters at Toronto to operate a three-way schedule between Toronto, Ottawa and Montreal.

The group claims willingness to invest $500,000 in the project, planning to leave Toronto or Montreal respectively on the hour and arriving with a ten-minute stopover at Ottawa within two hours and thirty minutes.

The company seeks an exclusive commercial franchise "to protect them against any other airway passenger and transport company from having landing rights within the city limits."

* * *

### Lake Rates Lower

A decrease of 1½ per cent in passenger rates and five per cent in berth and meal charges is announced by the Water Lines Passenger Traffic Committee of Canada and United States.

The schedule approved represents the combination rate to rail and water services of companies included in this group.

The committee is a rate-setting body recognized by the railway commission of Canada, and the United States inter-state committee. Its annual meeting was attended by representatives of twenty companies.

The companies look forward to increased lake and rail business for 1936. J. S. Condon, Buffalo, passenger traffic manager, Great Lakes Transit Corporation, was elected chairman for 1936, and A. L. Storey of Montreal, Ticket Bureau Chief, C.N.R., was made secretary.

* * *

### Prosperity Index

Basic industrial indices have travelled more than half way toward "average prosperity" as indicated by the average of business conditions in the four years 1926—1929, according to a survey by J. J. Gibbons Ltd. According to 22 basic factors comprising this study, the improvement from the low of depression has been 58.4 per cent, indicating almost 60 per cent recovery from the low point to that of the average prosperity enjoyed prior to the depression.

The three most important gains shown are those of electric power production, now 82 per cent above the average for 1926—1929; newsprint production which has increased 95 per cent; and mineral production up nearly 120 per cent.

* * *

### Price Maintenance

Another important drug product to enter the price maintenance field is Dr. Lyon's tooth powder, according to Drug Merchandising.

Effective Feb. 1, the company will attempt to fix the retail price at 27 cents for the regular size and 39 cents for family size. This product is made by Sterling Products Ltd., Windsor.

# Imperial Royalties Co. Pays Capital Dividend

## Trustees Put Preferred, Class "A" and Common on Same Basis Because of $4 Millions Deficit— Company May Reorganize

Many Canadians were interested when trustees of Imperial Royalties Company on January 1 disbursed $61,793 accumulated funds to shareholders.

Many thousands of these shares were sold to Canadians in the 20's when interest in oil royalties was keen and the revenue earned on them was high. Principal promoters of the company were John and E. S. Horn who had their headquarters in the mid-continent area and sold to Canadians from there. One or both of them had previously been engaged in real estate ventures in western Canada.

The U. S. District Court of Tulsa County, Okla., on November 8, 1935, found that there was a deficit in excess of $4 millions in the capital structure of the company. During the existence of the deficit, cash disbursements made to shareholders are distributions of capital.

### Return on Capital

The mistake made by most investors was to consider the dividends as return on their capital.

Thus considered, they thought they had a splendid investment. They were certain to have an awakening later, and that was hastened by the declining price of crude oil.

U. S. District Court of Tulsa, Okla., held that preferences as to $1 par preferred and Class A preferred shares, for which provision is made in the declaration of trust, "are and were intended to be effective only as to distributions payable from surplus created by net earnings of the trust estate."

The court further held and ordered that such partial distributions of capital as it makes are properly payable to all classes of shares in ratable proportions.

The dividend paid on January 1 was the equivalent of 1/3 cent and 5 cents per share respectively on preferred and Class A preferred shares. A similar amount was paid to holders of common and Class A common shares plus the further sum of 2/3 cent and 10 cents per share respectively. This further sum was equal to the amount paid May 15, 1935 to holders of preferred and Class A preferred shares. The total paid on January 1 on common and Class A common shares was thus 1 cent and 15 cents respectively.

This is a total of $121,891 paid to shareholders since trustees assumed direction of the company's affairs on March 5, 1935.

### No Receivership

It is stated that all phases of receivership proceedings have been terminated. The litigation of Monarch Royalty Corporation has been abandoned by directors of the recently reorganized board of that company. Corporate reorganization of Imperial Royalties Company is therefore, expected soon.

Settlement of the litigation relating to the title to the estate of John Horn has been made on a basis which involves surrender and cancellation of Imperial shares held by John and E. S. Horn, equivalent to about 15 per cent of the trust estate. This is a saving in value to Imperial shareholders of about $150,000.

In the last quarter of 1935 the company had a profit of $27,854 or $25,632 after taxes and other deductions but before reserves.

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# Maritimes Alone in Loss of Trade at Year's-End

## Other Economic Areas Show Gains — Similar Trend in Twelve-month Figures

The regional chart of Canadian business conditions indicates that 1935 was brought to a satisfactory close by the trends of December.

Considerable fluctuation was shown in the Maritime Provinces during the year for which statistics are now complete. The trend was upward in the other four economic areas. The rebound in Ontario in the last quarter was effected in part by the seasonal change in automobile production.

Conditions have fluctuated widely in the Prairie Provinces in the last three years but the general trend in 1935 was satisfactory and the index records that in the last quarter conditions were at a better level than at any time since 1930.

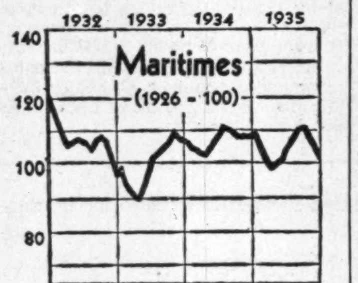
A steady but relatively moderate advance has occurred in British Columbia since the latter part of 1932.

### December Showing

A decline of three points was shown in the index of the Maritime Provinces in December from the preceding month. This was an exception to the improved showing in the other areas. After the smoothing process, the index of the Prairie Provinces was practically maintained, the crude compilation showing a gain of nearly four per cent.

### Maritime Provinces

Of the eight factors available for the Maritime Provinces five showed increases but the index of business activity receded from 106.9 to 103.9.



The new business obtained by the construction industry showed, after seasonal adjustment a considerable gain. The output of electric power was nearly maintained. The gain in the adjusted index of employment was 1.6 per cent. Owing perhaps to the occurrence of five Sundays in December bank debits were at a somewhat lower level. The gain in the adjusted sales of life insurance was 5.4 per cent.

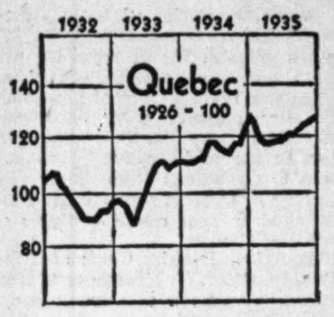
Imports through Maritime Province ports declined while a sharp increase was recorded in exports. The value was $10,300,000 against $5,500,000.

### Quebec Moves Forward

Business activity showed appreciable gain in the province of Quebec, the index moving up from 125.7 to 127.1.

Building permits showed a marked percentage gain but the new business obtained by the construction industry was abnormally low. The index of employment increased 2.6 per cent during the month. Financial factors including bank debits and sales of life insurance recorded declines.

The industrial records were favorable. A slight gain was shown in the production of boots and shoes. The textile industry made important purchases of raw materials for further manufacture, the imports of raw cotton, showing a gain of no less than 52.7 per cent. Newsprint production was nearly maintained at the high levels of the current period.

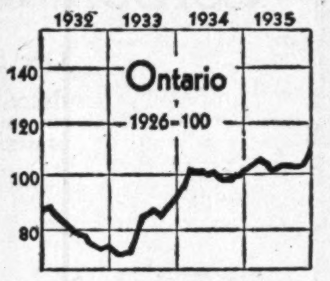


### Ontario Employment Higher

Most of the indices general to the five economic areas showed decline in Ontario from the preceding month, a notable exception being the increase in employment. The adjusted index in this line moved up from 105.1 to 109.8, a gain of 4.5 per cent. The new business obtained by the construction industry was at a low level even for December. The output of electric power declined slightly from the high level of November. Bank debits and sales of life insurance displayed recession.

Industrial statistics for the province were favorable. Meat packing activity was greater by 4.7 per cent. Steel production moved up 11.3 per cent and a gain was shown in automobile production. The lack of experience in adjusting the present production schedule prevents an accurate measure of the trend of automobile production, 13,775 units being produced against 13,496 in the preceding month.

A sharp percentage increase over December, 1934, has little significance in view of the change in seasonal policy. The Ontario index was 110.5 against 106.7 in November.

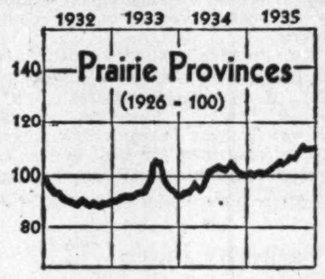


### Prairie Provinces Are Steadier

After moving up during the greater part of the year, business activity in the Prairie Provinces was fairly steady during the last quarter.

The index of business activity in the area was 112.7 against 112.8 in November. The construction industry continued in the doldrums. The output of electric energy showed a gain of 1.1 per cent. The adjusted index of employment moved up from 97.3 to 99.0. A gain of nine per cent was shown in adjusted bank debits and the sales of life insurance were nearly maintained.

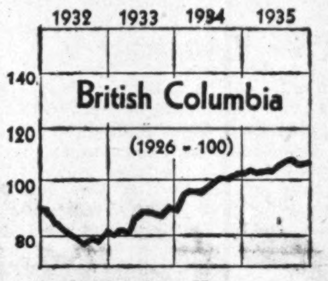
Wheat receipts were relatively heavy in December, the adjusted gain being about 56 per cent. The price of wheat was nearly maintained.



### British Columbia Conditions

The index of business activity of British Columbia showed a gain of one half point in December. The construction industry was less active. The index of electric output dropped from 179 to 174.3. A gain was shown in employment from 99.8 to 102.7, representing about three per cent. Financial factors were fairly strong, bank debits showing a gain of 11 per cent and an advance of 3.3 per cent being shown in sales of life insurance.

The external trade through British Columbia ports showed decline after seasonal adjustment, especially in exports. The tonnage of vessels clearing from Vancouver was not far from maintained, the index being 111.2 against 111.5 in November.

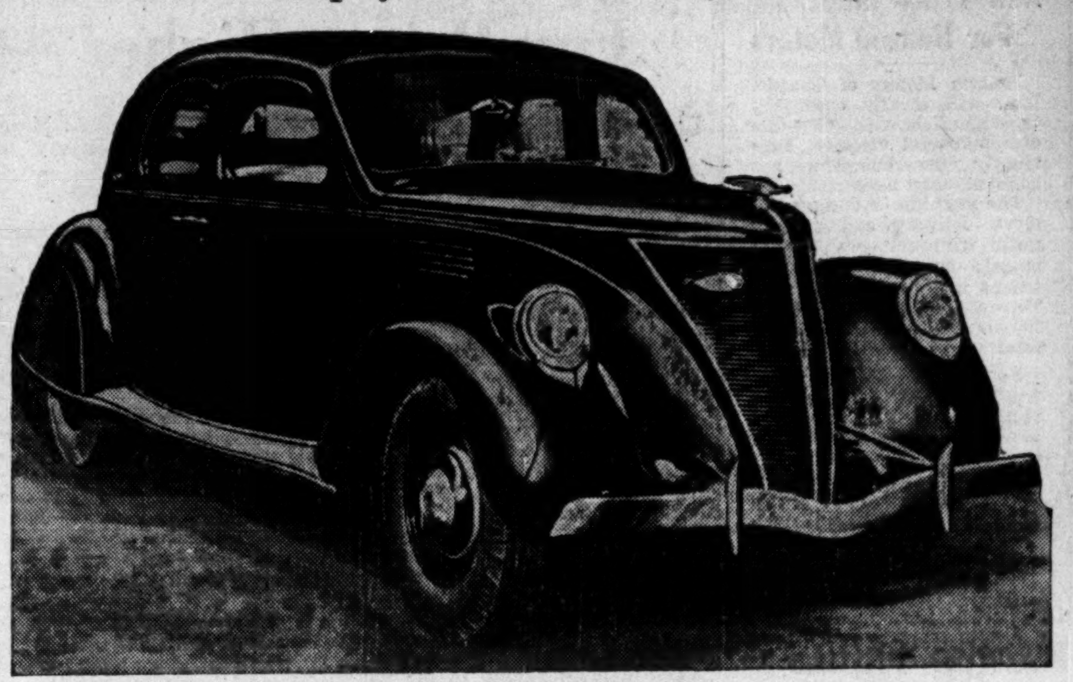


The business index for the province was 109.0 against 108.5.

### TREND OF BUSINESS IN FIVE ECONOMIC AREAS

| | | December 1935 | December 1934 | November 1935 | Increase or Decrease December 1935-1934 % |
|---|---|---|---|---|---|
| **Maritimes—** | | | | | |
| Construction contracts | $ | 305,000 | 579,000 | 376,000 | — 47.3 |
| Building permits | $ | 32,000 | 66,000 | 105,000 | — 51.5 |
| Life insurance sales | $000 | 2,761 | 2,456 | 2,300 | + 12.4 |
| Bank debits | $000,000 | 51.3 | 47.2 | 62.5 | + 8.7 |
| Electric power | k.w.h. 000 | 44,149 | 57,739 | 43,977 | — 23.5 |
| Employment | 1926=100 | 108.1 | 99.0 | 107.5 | + 9.2 |
| Exports | $ | 10,278,415 | 8,339,636 | 5,501,288 | + 23.2 |
| Imports | $ | 2,587,694 | 2,643,639 | 2,926,599 | — 2.1 |
| Index | | 103.9 | 108.1 | 106.9 | — 4.6 |
| **Quebec—** | | | | | |
| Construction contracts | $ | 1,080,000 | 2,765,000 | 2,231,000 | — 60.9 |
| Building permits | $ | 928,000 | 254,000 | 519,000 | +265.4 |
| Life insurance sales | $000 | 9,836 | 11,271 | 9,540 | — 12.7 |
| Bank debits | $000,000 | 813 | 893 | 878 | — 9.0 |
| Electric power | k.w.h. 000 | 1,100,864 | 1,114,243 | 1,104,144 | — 1.2 |
| Employment | 1926=100 | 95.5 | 91.3 | 103.8 | + 4.6 |
| Imports of raw cotton | lb. | 22,186,866 | 18,799,532 | 13,814,244 | + 18.0 |
| Newsprint production | tons | 244,732 | 239,830 | 262,854 | + 2.0 |
| Index | | 127.1 | 122.5 | 125.7 | + 3.8 |
| **Ontario—** | | | | | |
| Construction contracts | $ | 1,854,000 | 2,095,000 | 4,063,000 | — 11.5 |
| Building permits | $ | 1,140,000 | 1,825,000 | 2,306,000 | — 37.5 |
| Life insurance sales | $000 | 15,487 | 15,129 | 15,599 | + 2.4 |
| Bank debits | $000,000 | 1,301 | 1,445 | 1,301 | — 10.0 |
| Electric power | k.w.h. 000 | 681,644 | 578,876 | 670,402 | + 17.8 |
| Employment | 1926=100 | 102.7 | 98.0 | 107.0 | + 4.8 |
| Livestock slaughterings | 1926=100 | 108.0 | 111.4 | 103.2 | — 3.1 |
| Steel production | tons | 98,888 | 58,600 | 94,074 | + 68.8 |
| Automobile production | No. | 13,775 | 2,732 | 13,496 | +404.2 |
| Index | | 110.5 | 100.2 | 106.7 | + 10.3 |
| **Prairie Provinces—** | | | | | |
| Construction contracts | $ | 768,000 | 414,000 | 1,132,000 | + 85.5 |
| Building permits | $ | 77,000 | 258,000 | 117,000 | — 70.2 |
| Life insurance sales | $000 | 4,995 | 5,574 | 4,708 | — 10.4 |
| Bank debits | $000,000 | 606 | 518 | 630 | + 17.0 |
| Electric power | k.w.h. 000 | 156,681 | 132,701 | 148,888 | + 18.1 |
| Employment | 1926=100 | 95.1 | 91.1 | 101.3 | + 4.3 |
| Wheat receipts | bush. | 14,217,000 | 12,514,000 | 21,043,000 | + 13.6 |
| Wheat prices | $ per bush. | .846 | .791 | .857 | + 7.0 |
| Index | | 112.7 | 102.1 | 112.8 | + 10.4 |
| **British Columbia—** | | | | | |
| Construction contracts | $ | 358,000 | 209,000 | 490,000 | + 71.3 |
| Building permits | $ | 213,000 | 119,000 | 268,000 | + 79.0 |
| Life insurance sales | $000 | 3,055 | 2,923 | 2,620 | + 4.5 |
| Bank debits | $000,000 | 161.2 | 137.1 | 149.9 | + 17.8 |
| Electric power | k.w.h. 000 | 134,066 | 134,418 | 134,540 | — 0.3 |
| Employment | 1926=100 | 92.4 | 88.8 | 99.3 | + 4.1 |
| Imports | $ | 3,789,419 | 3,621,588 | 3,527,123 | + 4.6 |
| Exports | $ | 11,513,945 | 9,949,810 | 13,372,361 | + 15.7 |
| Tonnage of vessels, cleared | | 853,548 | 886,180 | 878,269 | — 3.7 |
| Index | | 109.0 | 101.9 | 108.5 | + 7.0 |

# Lincoln Zephyr Now Produced in Canada



Here is the first Lincoln Zephyr to come off the assembly line at the Ford of Canada plant, Windsor. The car embodies a new principle of construction being of a modified bridge-truss design with the only access to the engine block being through the top of the radiator which lifts completely clear at the front.

The car has a 122-inch wheelbase with 12-cylinder motor. It sells in the $2,000 classification in Canada and will include substantial Canadian content.

Two models a four-door and a two-door sedan (each seating six passengers) are being produced.

# IND. ALCOHOL SHAREHOLDERS PASS BY-LAW

## Paid-up Capital is Reduced By Amount of Deficit Account

From Our Own Correspondent

MONTREAL. — Shareholders of Canadian Industrial Alcohol Co. have approved the special by-law reducing the paid up capital by the amount of the deficit account.

This action does not in any way reduce the actual value of the outstanding shares nor in any way diminish the rights of the holders, according to the president, Hon. Gordon W. Scott, who indicated to the shareholders that it paved the way for an early consideration of dividends to shareholders.

At the regular annual meeting the president outlined a number of constructive developments in the affairs of the company since the end of the fiscal year. Sales totalling 275,000 gallons have been made to Continental Distilleries, while Schenley Products Corp. on January 20 exercised their option agreement to a further 150,000 gallons.

The president indicated that for the first three months of the company's fiscal year, sales in the industrial division were up 66 per cent.

# Municipal Finances

**Montreal,** it is expected, will have difficulty in balancing its 1936 budget. With sales tax revenue considerably below the estimate, the 1935 deficit will not be below $500,000. In 1936, the city is faced with an addition of $400,000 to fixed charges as a result of revision in the pension funds, a $100,000 increase in fixed charges and an expenditure of $500,000 on pavements.

* * *

**Riviere du Moulin,** Que., has been authorized by the Quebec Municipal Commission to pay interest coupons dated Nov. 1, 1934, and Dec. 1, 1934. Interest on bonds matured May 1, 1934, is to be paid to Nov. 1, 1934, and on bonds due June 1, 1934, to Dec. 1, 1934.

* * *

**Northumberland County,** N.B., had a deficit of $78,000 in 1935. Auditors point to the "desperate financial condition which if not immediately remedied means collapse and default." Revenues amounted to $89,200 while expenditures totalled $168,000. The excess of expenditures, inclusive of relief costs, over revenues in the past two years has been $229,000. Tax arrears, the only realizable asset, amount to $227,000.

* * *

**Parish of St. Honoré,** Que., is paying interest coupons to Feb. 1, 1935. Interest on overdue bonds matured on May and Nov., 1932, 1933 and 1934 is being paid to Nov. 1, 1934. On bonds matured on Aug. 1, 1932, 1933 and 1934, interest is being paid to Feb. 1, 1935.

* * *

**Wolfville,** N.S. had a surplus of $1,473 in 1935. Revenue amounted to $59,961 and expenditures $58,488. During the year 78.5 per cent of the current assessment taxes were collected and 65 per cent of tax arrears. The bank overdraft was reduced during the year from $12,684 to $9,002.

* * *

**Ottawa** has a surplus of $64,365 in interest and sinking fund account available for reduction of the 1936 tax rate. This compares with $69,649 available at the end of 1934.

* * *

**Regina** tax collections improved in 1935, amounting to 89 per cent of the levy as against 84 per cent in 1934. Current collections were 58.2 per cent of the levy.

* * *

**Winnipeg** has sold $1.1 million of three per cent bonds to its sinking fund. This covers the balance of the 1934 direct relief costs which has been carried in bank loans. The bonds were sold at 97.95 to yield 3.45 per cent. The city hopes to sell further debentures to the sinking fund to help take care of the city's share of 1935 relief costs, amounting to $1.9 million.

* * *

**Calgary** total tax collections in 1935 amounted to 96.88 per cent of the levy as compared with 94.53 per cent in 1934. Current tax collections were 74.47 per cent of the levy as compared with 73.73 per cent in 1934.

* * *

**Lethbridge,** Alta., tax collections in 1935 approximated 98 per cent of the levy, a considerable improvement over 1934. To Nov. 30, total collections were equivalent to 92.3 per cent of the levy as compared with 85.3 per cent in the corresponding period of 1934.

* * *

**Jonquiere,** Que., is paying interest on its bonds to Nov. 1, 1935.

* * *

**Grande Baie,** Que., has authorized payment of interest coupons dated Nov. 1, 1935.

* * *

**West Vancouver,** B.C. reports an improvement in its financial position in 1935, a surplus of $3,708 being shown for the year. The bank overdraft was reduced during the year by $6,000 to $12,000. Tax collections improved slightly.

* * *

**Red Deer,** Alta., tax arrears carried forward from 1935 are the smallest in years. Tax collections in 1935, as a result of heavy payments of arrears, amounted to 105.9 per cent of the levy.

* * *

**Calgary,** Alta., has applied to the provincial government for approval of a plan to ask the federal government to waive interest on government loans to the city totalling $1.3 million. The waiving of interest by the federal government would mean a saving of $54,434 to the city.

* * *

**Edmonton** reports a net profit after all charges of $904,314 on its five city-owned utilities. This compares with $871,401 in 1934.

* * *

**New Westminster,** B.C., had a deficit of $40,498 in 1935. However, revenue from taxes, electric light, water rates and rentals all showed improvement in 1935.

# Detectives' Gallery Built in Post Office

New Toronto's $70,000 post office has a unique "detectives'" gallery.

On three sides of the public room, and directly over the counters and wickets is an observation gallery so situated that employees can be observed in any part of the counter area, by means of glass set into the floor of the gallery.

The public room is open to watchers through screened windows set at intervals in the gallery, which lies nine and a half feet from the ceiling. The ceiling is 17 feet high.

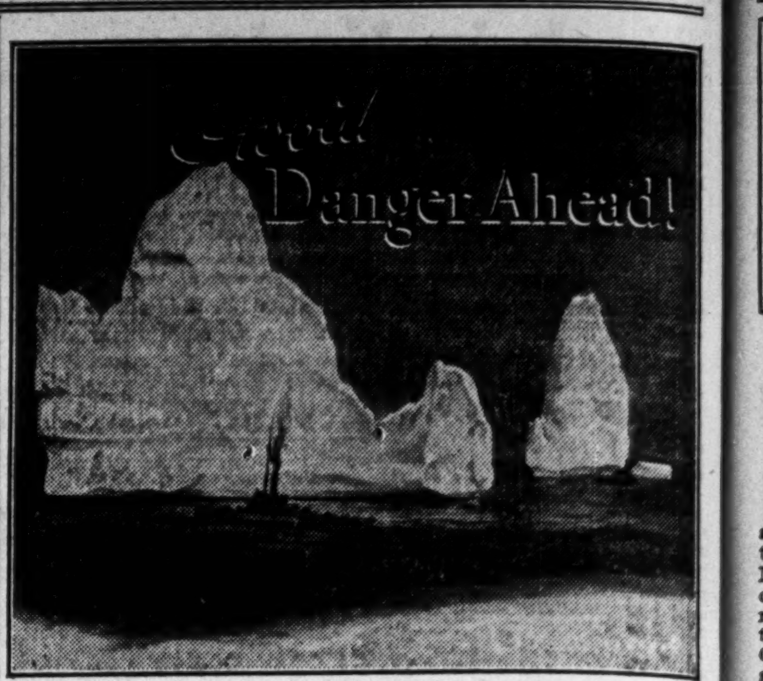
# Sherbrooke to Co-operate With S. Canada Power

From Our Own Correspondent

MONTREAL. — Closer co-operation between the city of Sherbrooke and the Southern Canada Power Co., is seen in the announcement that the city plans on securing the authority of the Quebec Legislature to amend its charter.

The present charter provides that the city has the exclusive right to the sale of power within its territory. The amendment authorizes the city to grant permission to other companies to sell power.

Opponents of public ownership of public utilities have consistently maintained that Sherbrooke has lost a number of important industries as a result of its policy of refusing the private companies the privilege of selling power. It has been pointed out that Southern Canada Power Co. has settled large industries in other centres, where it was in a position to supply power requirements.


Danger Ahead!

U.S. Coast Guard Cutter stands by, sending warnings

Warned of icebergs ahead, the wise ship captain charts a course which avoids danger. Likewise, men and women with their doctor's advice should chart a course of living which will help to avoid some of the dangers to the heart. Children, as well as adults, need to have their physical condition charted. A child who is recovering from any infectious disease should be carefully examined to learn whether the heart has been damaged and needs special care. Prompt attention may prevent lasting heart injury.

A person may have a defective heart without realizing the fact. On the other hand, many people whose hearts are not impaired think they have heart disease. They mistake symptoms of other difficulties for indications of heart trouble.

Know your own heart. There need be little guesswork. In most cases your doctor can determine its condition. If advisable he or the specialist may suggest the fluoroscope and electro-cardiograph to find out whether or not your heart needs to have its load lightened to prevent a breakdown. Today many men and women whose hearts are far from perfect are able to lead useful, active lives because they know what their hearts can and cannot do.

If your heart is normal, do not shorten its term of usefulness by overstrains or excesses. If it is damaged or weakened, live in accordance with your doctor's advice.

A thorough physical examination, at least once a year, may be the direct means of adding many years to your life. Send for the Metropolitan Booklet "Give Your Heart a Chance." You are welcome to your copy. And above all, don't postpone the examination you ought to have. Address Booklet Department 2-F-36

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# Position of Chartered Banks of Canada as of December 31, 1935, Shown by Monthly Returns to Minister of Finance

### LIABILITIES

| NAME OF BANK | Notes in Circulation | Deposits by and Bal. Due to Dominion Government | Deposits by and Bal. Due to Provincial Governments | Advances from Bank of Canada | Demand Deposits in Canada | Savings Deposits in Canada | Deposits Elsewhere▲ | Bal. Due to other banks in Canada | Due to Banks in U.K. | Due to Banks Elsewhere | Bills Payable | Letters of Credit outstanding | Other Liabilities | Dividends Declared and unpaid | Reserve Fund | Capital Paid Up | Total Liabilities |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Montreal | 28,501,428 | 7,999,247 | 11,313,355 | ............ | 177,222,512 | 405,295,046 | 70,257,986 | 2,848,112 | 2,353,372 | 4,215,668 | 274,999 | 6,937,414 | 1,776,304 | 18,787 | 38,000,000 | 36,000,000 | 793,014,236 |
| Nova Scotia | 9,714,395 | 255,372 | 851,318 | ............ | 46,887,268 | 141,501,862 | 41,714,265 | 2,319,248 | 398,646 | 1,586,858 | 623,251 | 5,583,112 | 313,596 | 362,060 | 24,000,000 | 12,000,000 | 288,111,258 |
| Toronto | 4,548,965 | 229,816 | 751,958 | ............ | 27,976,675 | 72,621,325 | 430,565 | 1,222,949 | 306,717 | 1,229,125 | 178,817 | 1,443,616 | ............ | 3,079 | 9,000,000 | 6,000,000 | 125,943,613 |
| Provinciale | 3,392,742 | 213,833 | 25,454 | ............ | 6,212,866 | 35,195,517 | 139,013 | 420 | ............ | 46,208 | ............ | 39,204 | 1,722 | 5,547 | 1,000,000 | 4,000,000 | 50,272,531 |
| Commerce | 23,606,450 | 860,190 | 10,642,875 | ............ | 132,276,093 | 302,922,546 | 64,271,123 | 2,518,184 | 1,215,917 | 7,062,911 | 90,417 | 16,797,727 | ............ | 13,431 | 20,000,000 | 30,000,000 | 612,277,871 |
| Royal | 30,494,442 | 943,411 | 12,276,586 | ............ | 163,063,281 | 287,976,506 | 195,435,919 | 573,829 | 531,807 | 9,979,226 | 242,029 | 21,288,401 | 383,859 | 31,709 | 20,000,000 | 35,000,000 | 778,221,010 |
| Dominion | 5,902,231 | 357,912 | 1,047,882 | ............ | 31,765,343 | 69,297,778 | 3,468,295 | 2,477,140 | 265,889 | 398,925 | ............ | 4,022,279 | 351,943 | 175,484 | 7,000,000 | 7,000,000 | 133,531,106 |
| Nationale | 6,258,864 | 302,252 | 832,619 | ............ | 22,658,362 | 86,130,194 | 1,648,391 | 998,601 | 13,968 | 245,726 | 48,511 | 358,434 | 307,331 | 8,548 | 5,000,000 | 7,000,000 | 131,811,807 |
| Imperial | 6,225,510 | 634,404 | 2,977,514 | ............ | 31,491,360 | 81,596,367 | 525,708 | 1,223,675 | 177,280 | 1,030,928 | ............ | 1,622,322 | ............ | 175,752 | 8,000,000 | 7,000,000 | 142,680,824 |
| Barclays (Canada) | 283,635 | 76,365 | 9 | ............ | 1,367,170 | 3,440,033 | 1,584,492 | 145,312 | 3,272,642 | 1,602,994 | ............ | 97,653 | ............ | ............ | 750,000 | 1,500,000 | 14,120,309 |
| Total | 118,928,662 | 11,872,802 | 40,719,570 | ............ | 640,920,930 | 1,485,977,174 | 379,475,757 | 14,327,470 | 8,536,238 | 27,398,569 | 1,458,024 | 58,190,163 | 3,134,755 | 794,397 | 132,750,000 | 145,500,000 | 3,069,984,565 |

▲ Of this amount, $30,307,116 represents deposits in Canada in currencies other than Canadian formerly carried under demand and savings deposits in Canada.

### SUPPLEMENTARY INFORMATION

| NAME OF BANK | Capital Authorized | Capital Subscribed | Last Dividend | *Loans to Directors and firms of which they are partners | Average Notes and deposits with Bank of Can. | Greatest amount of Notes in Circ. |
|---|---|---|---|---|---|---|
| | $ | $ | % | $ | $ | $ |
| Montreal | 50,000,000 | 36,000,000 | 8 | 1,123,490 | 64,221,114 | 31,605,243 |
| Nova Scotia | 15,000,000 | 12,000,000 | 12 | 1,862,590 | 21,276,691 | 11,043,155 |
| Toronto | 10,000,000 | 6,000,000 | 10 | 714,825 | 12,651,517 | 5,320,145 |
| Provinciale | 5,000,000 | 4,000,000 | 6 | 720,661 | 3,162,727 | 3,810,737 |
| Commerce | 50,000,000 | 30,000,000 | 8 | 2,623,452 | 49,314,580 | 26,849,408 |
| Royal | 50,000,000 | 35,000,000 | 8 | 1,890,090 | 43,022,413 | 33,008,622 |
| Dominion | 10,000,000 | 7,000,000 | 10 | 1,195,771 | 10,023,332 | 6,548,786 |
| Nationale | 10,000,000 | 7,000,000 | 8 | 306,262 | 10,472,427 | 6,546,024 |
| Imperial | 10,000,000 | 7,000,000 | 10 | 462,880 | 7,428,746 | 6,819,355 |
| Barclays (Canada) | 1,500,000 | 1,500,000 | .......... | ............ | 533,537 | 340,810 |
| Total | 211,500,000 | 145,500,000 | .......... | 10,900,021 | 222,107,084 | 131,892,305 |

* And loans for which they are guarantors.

### ASSETS

| NAME OF BANK | Gold and Subsidiary Coin Held in Canada | Gold and Subsidiary Coin Held Elsewhere | Notes of Bank of Canada | Deposits with Bank of Canada | Notes of Other Banks | Govt. and Bank Notes other than Canada | Cheques on other banks | Balances due from other banks in Canada | Due by banks in U.K. | Due by banks elsewhere | Govt. sec. short term | Govt. sec. long term | Canadian municipal securities | Public sec. other than Can. | Other bonds and stocks |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Montreal* | 1,380,533 | 173,798 | 12,938,425 | 49,699,440 | 2,031,648 | 336,524 | 30,171,790 | 1,172 | 1,312,107 | 31,000,381 | 180,697,556 | 153,129,806 | 29,475,398 | 5,789,963 | 6,067,506 |
| Nova Scotia | 378,516 | 2,372,313 | 2,980,731 | 22,738,275 | 535,142 | 3,206,378 | 11,397,462 | .......... | 377,806 | 7,403,808 | 35,394,313 | 54,385,652 | 12,453,823 | 941,949 | 10,067,303 |
| Toronto | 230,132 | .......... | 1,757,086 | 9,882,042 | 441,645 | 60,302 | 5,318,356 | .......... | 732,745 | 4,923,739 | 5,517,438 | 34,345,647 | 5,189,083 | 36,721 | 1,869,351 |
| Provinciale | 187,479 | .......... | 847,962 | 2,027,632 | 288,185 | 31,665 | 2,227,897 | 1,702,187 | 1,578 | 149,698 | 2,905,508 | 7,348,440 | 8,087,046 | .......... | 2,962,874 |
| Canadian† | 880,372 | 338,874 | 5,497,461 | 41,142,062 | 1,344,570 | 929,656 | 21,152,419 | 8,499 | 635,004 | 19,232,715 | 83,317,130 | 101,549,857 | 9,157,615 | 25,645,490 | 11,380,259 |
| Royal‡ | 1,285,493 | 7,523,293 | 6,912,859 | 37,381,032 | 1,647,786 | 19,522,891 | 28,149,871 | 1,888 | 10,070,778 | 26,342,549 | 91,949,742 | 102,944,553 | 7,996,943 | 12,142,015 | 11,589,999 |
| Dominion | 263,256 | 772 | 2,271,569 | 9,931,529 | 439,900 | 88,180 | 9,154,475 | .......... | 281,612 | 2,474,665 | 11,842,690 | 18,330,775 | 5,058,148 | 1,250,827 | 3,033,637 |
| Nationale§ | 448,438 | 311 | 2,605,706 | 6,267,226 | 699,075 | 51,882 | 4,186,500 | 1,218,285 | 232,961 | 925,877 | 11,708,474 | 21,201,400 | 16,832,050 | 426,064 | 6,171,046 |
| Imperial | 330,533 | .......... | 4,690,308 | 2,124,716 | 451,880 | 59,478 | 7,450,374 | 621,588 | 900,748 | 1,230,451 | 7,240,068 | 27,499,331 | 4,811,649 | .......... | 119,800 |
| Barclays (Can.) | 2,516 | .......... | 76,819 | 442,654 | 10,125 | 2,736 | 284,791 | 1,711,540 | 2,650,206 | 831,739 | 757,830 | 3,868,699 | 172,045 | .......... | 10,950 |
| Total | 5,387,268 | 10,409,361 | 40,578,926 | 181,636,608 | 7,889,956 | 24,289,692 | 119,493,935 | 5,265,159 | 17,195,545 | 94,515,622 | 431,330,749 | 524,604,220 | 99,235,800 | 46,233,029 | 53,272,725 |

| NAME OF BANK | Call loans in Canada | Call loans elsewhere | Current loans in Canada | Current loans elsewhere | Loans to provincial governments | Loans to municipalities | Non-current loans | Real estate other than premises | Mortgages on real estate | Bank Premises | Deposit for note circulation | Other assets | Total assets▲ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Montreal* | 4,603,275 | 22,721,509 | 183,680,705 | 10,384,795 | 3,651,828 | 37,821,734 | 3,061,755 | 688,745 | 813,221 | 14,500,000 | 1,686,426 | 106,525 | 794,863,991 |
| Nova Scotia | 5,917,439 | 2,444,211 | 77,987,842 | 14,459,800 | 637,161 | 5,953,667 | 797,253 | .......... | 100,967 | 7,008,923 | 567,008 | 3,730,015 | 288,822,887 |
| Toronto | 3,773,657 | .......... | 42,759,708 | .......... | .......... | 4,576,142 | 318,877 | .......... | 46,508 | 3,510,975 | 335,033 | .......... | 127,068,813 |
| Provinciale | 4,687,055 | .......... | 12,452,301 | .......... | .......... | 1,018,946 | 124,119 | 656,327 | 368,708 | 2,092,759 | 200,000 | 149,366 | 50,556,947 |
| Canadian† | 19,516,922 | 16,311,595 | 155,382,130 | 19,383,931 | 6,792,078 | 28,918,885 | 3,926,279 | 2,460,440 | 2,310,293 | 14,411,896 | 1,275,000 | 4,118,409 | 613,817,583 |
| Royal‡ | 24,424,277 | 19,980,406 | 208,404,949 | 100,459,059 | 1,238,014 | 8,511,587 | 3,898,456 | 2,966,188 | 806,501 | 16,009,132 | 1,600,000 | 4,807,551 | 779,856,228 |
| Dominion | 7,256,258 | 3,282,067 | 45,209,589 | 219,564 | .......... | 2,830,263 | 361,106 | 85,068 | 37,209 | 5,855,000 | 345,074 | 198,282 | 134,123,806 |
| Nationale§ | 5,658,230 | .......... | 32,516,939 | 72,412 | 1,374,821 | 10,389,346 | 310,143 | 1,455,933 | 404,894 | 6,121,391 | 380,506 | 146,758 | 132,165,174 |
| Imperial | 5,739,950 | .......... | 59,809,038 | .......... | 5,703,575 | 5,647,031 | 313,516 | 280,186 | 418,669 | 5,999,545 | 470,424 | 170,024 | 143,705,214 |
| Barclays (Can.) | 1,403,932 | .......... | 1,322,394 | .......... | .......... | .......... | 14,192 | .......... | .......... | 450,000 | 16,696 | .......... | 14,127,524 |
| Total | 82,980,995 | 64,739,788 | 819,525,595 | 144,979,570 | 19,397,477 | 105,667,601 | 12,125,696 | 8,592,887 | 5,306,970 | 75,959,621 | 6,876,162 | 12,426,930 | 3,079,108,166 |

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* The business of the Bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

† The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡ The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement.—Footnote to Royal Bank return.

§ The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return. — Footnote to Banque Canadienne Nationale return.

▲ Total assets include $58,190,163 letters of credit outstanding as shown in liabilities.

# Your Investments

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## Loblaw Outlook

What is the outlook for earnings of Loblaw Groceterias Co.? I have been advised to sell my stock because there are not as good prospects of expansion as there were some years ago?

Earnings of Loblaw Groceterias appear likely to show an increase in the current year which ends next May 31. It is probably true that company-owned chain stores have not the full possibilities of expansion that they had 10 years ago. Loblaw Groceterias, however, is planning some expansion of its chain this year, and there does not appear to be any early probability of the dividend being reduced. Nevertheless, the company has not covered the $1 rate by any too wide a margin. The advice you have received that the company's expansion is limited appears to be worthy of consideration, but there may be no immediate need for sale of your shares.

## Can. Wineries Policy

Why has Canadian Wineries Ltd. ceased to pay dividends on its shares?

Canadian Wineries has felt the influence of the new laws in Ontario which permitted much freer sale of beer and ale. The business is apparently well managed. One reason for stopping the dividend is that the company established a modern plant in the United States to take advantage of "repeal." Just what success this venture will have, it is impossible to say. In the meantime, the company will not pay dividends until the bank loans are paid off. There is understood to be some dissension as to policy to be followed at the moment, and that will have to be smoothed out as well.

## Barcelona's Record

What is the capital, earnings and dividend record of Barcelona Traction, Light & Power? Do you see any disadvantages in the stock?

Barcelona Traction, Light and Power Co., through subsidiaries, is engaged in northern and eastern Spain in distributing and selling hydro-electric power and bituminous gas for commercial and domestic purposes. It has outstanding at par of exchange in Canadian dollars $14.6 millions of 6½ per cent prior lien bonds due 1965, $8.2 millions of 5½ per cent first mortgage bonds due 1974, $12.1 millions of six per cent bonds due 1972, $36.7 millions of bond issues and other indebtedness of controlled companies. These all come before 1,798,854 no par value ordinary shares.

The company paid good dividends from 1925 to 1930. It earned 81 cents a share in 1931 and paid 50 cents a share. It earned 73 cents in 1932 and $1.38 in 1933 and paid nothing. It earned $1.56 a share in 1934 and paid 70 cents, and in 1935 it paid 50 cents. Statements of monthly earnings throughout 1935 have shown increases, as measured in pesetas, in every month except March.

The company has given a good account of itself. The only disadvantage is that all earnings must be in pesetas, and shareholders out of same are dependent on stability of exchange if dividends are to be permanent.

## C.P.R. Convertible 4's

Recently you stated in The Financial Post that perpetual debenture stock is the security behind C.P.R. convertible four per cent debentures. What does this mean? Is the company covering its interest satisfactorily?

C.P.R. four per cent perpetual debenture stock is the senior security of the company, and is a statutory charge on the assets and undertakings, specifically exempting from the charge, however, any lands received by the company in the form of subsidy. Hence, $125 of perpetual debentures forms good security for $100 of convertible four per cent debentures. After all charges, the C.P.R. has covered interest during the depression. In 1934, all interest charges were covered 1.26 times, after all charges. For 1935, the record will not show any improvement, but there are prospects of better results in 1936, owing to increased movement of grain.

## United Grain Growers

What is the capital of United Grain Growers? Please outline the earnings, dividends and outlook for the common shares.

United Grain Growers capitalization consists of $3,450,000 of first mortgage bonds and 126,446 common shares.

An annual dividend of $1 a share has been paid on the common stock in each of the past three years. Earnings were nothing in 1933, $1.71 a share in 1934, and 88 cents in 1935. The light grain crop in areas served by the company may mean small storage charges in the current year, and transfer of wheat from western elevators into eastern storage may affect the company's earnings adversely. There does not appear to be a prospect of any remarkable improvement in earnings, but dividend policy on the common shares will not be determined until after the close of the company's fiscal year on July 31, 1936. The outlook for the shares, however, will depend to a large extent upon the size of the crop in areas served by the company, and upon wheat movements later this year, which cannot be foreseen yet.

## Penmans Ltd.

Would you consider Penmans Ltd. preferred as a sound investment?

Penmans Ltd., textile firm, has always paid the six per cent dividend on its preferred shares since incorporation 30 years ago. Even in the worst part of the depression, net profits were over twice the preferred dividend requirements.

While tariff changes may not help Penmans' earnings, the company's record indicates an ability to earn the preferred dividend under conditions of adversity.

## Mercury Mills

What is the reason for non-payment of Mercury Mills preferred dividends? Is the company earning anything?

The chief reason for the failure of Mercury Mills Ltd. to pay preferred dividends since 1930, or to earn bond interest since 1929, has been intense competition in textiles during the depression. In 1934, the results were affected as well by the decline in wool prices. The company has maintained itself in good working capital position, and therefore is in a position to take advantage of any improvements in the industry as a whole.

There is little likelihood of preferred dividends being renewed for a long period, as there was an accumulated deficit of $349,403 at the end of 1934. This would have to be eliminated before preferred dividends could be renewed.

In 1935, there has been a distinct improvement. For the first time in a number of years it is understood that the company has been able to earn its bond interest after depreciation. Naturally, it is of importance to preferred shareholders to see that nothing has been added to the accumulated deficit.

## Corporate Investors

I have been offered shares in Corporate Investors Ltd. What sort of proposition is this?

Corporate Investors Ltd. is a small but growing investment trust which was formed in 1932. The company has been successful in its investment policy. The shares, at the current offering price of $7.25 each, offer a yield of less than three per cent, but we understand there may be an increase in dividend, now 20 cents a share annually. The offering price to the investor, which has increased several times, is based upon the value of securities in the trust's portfolio. The company has been well managed, has a good directorate, and is under honest sponsorship.

## Bank of Canada

What do you think of Bank of Canada shares?

Bank of Canada shares offer a well-earned 4½ per cent dividend. However, you should remember that they might be redeemed, although this now appears improbable. The dividend cannot be increased except by statute, but in view of low rates on government securities, the bank's shares compare favorably with high-grade investments.

## McColl-Frontenac

Do you think it risky to buy McColl-Frontenac bonds above the call price? Would the preferred stock be a satisfactory investment?

In view of the possibility that first mortgage bonds of McColl-Frontenac Oil Company may eventually be refinanced at a reduced interest rate, there are risks in buying the bonds above the call price. However, reduction of the interest rate would be beneficial to the preferred stock. The preferred, of course, depends primarily upon earnings for its security, and so far earnings have covered the dividend by a wide margin.

## Dominion Bonds

I have been somewhat nervous lest some effort be made to reduce the interest rates on my Dominion bonds. Is this likely?

Dominion government financial authorities are strongly opposed to any interference with the terms of Dominion government bonds. Any debt conversion proposals that may be adopted are likely to affect bonds of bankrupt provinces, not bonds of the Dominion.

## Laura Secord

What is the outlook for my investment in Laura Secord Candy Shops common?

Laura Secord covers its dividend of $3 a share by a substantial margin each year. The company is not expanding its chain of candy stores, but improving business conditions may bring increased sales volume. The result would be to allow some expansion of profits. Gradual, rather than sensational, improvement appears to be the probable development for this company, provided recovery of general business continues.

# The Woman Investor

## Expensive Sentiment

"THEY'RE calling for more margin on that mining stock," said Mr. Jones with a worried sigh. "I'm afraid we'll have to sell some of your government bonds."

Mrs. Jones didn't like the idea. It was not the first time that Henry's "investments" had proved unfortunate. But she agreed nevertheless, and the bonds were sold.

Thus the gamble went on, Government bonds vs. a highly speculative mining stock. It was a typical case of what happens when women allow sentiment to becloud their judgment in financial matters.

There is no sentiment in the stock market. While a woman may be fully justified in selling good securities to aid a husband, brother or son in a business venture, or even in the stock market, she is nevertheless on dangerous ground.

She cannot weigh the merits of a family business venture entirely on its merits, because she is usually predisposed in favor of those who require the money.

Women are in a peculiar position in this connection. They naturally seek to conserve high grade investments as a source of income in later years. Yet they are anxious to provide every opportunity for the advancement of a son, brother, or husband.

The only solution is to relegate sentiment to the background in women's investment matters, and to judge the possibilities for investment as impersonally as if they were being discussed with a stranger.

* * *

### Dividing Capital

IF A woman's financial resources permit, she might do well to follow the traditional English system of dividing her capital into two classes. One group, representing at least 50 per cent of her capital is restricted to the highest class of bond investments, insurance, or annuities, or a portion of all three. The other, designed for speculative purposes, may be regarded as "working capital," and used for trading in common or industrial preferred stocks.

The investment group remains the backbone of the portfolio, however, and the English practice is to refrain from touching it under any circumstances arising out of unfortunate speculative ventures.

The effect of this rigid policy is that many family fortunes in England have been maintained intact from generation to generation, particularly in periods when they were in the hands of women whose natural caution helped to conserve and strengthen the estate assets.

But sentiment had to be ruthlessly excluded to perpetuate the solvency of the family as a whole under the English plan. Mrs. Jones did not know that.

# DOMINION BRIDGE REPORTS ADVANCE SINCE NOVEMBER

## Good Gain Recorded to Date; Install New Welding Equipment

**From Our Own Correspondent**

MONTREAL. — During the first two months of the current fiscal year, which commenced on November 1, Dominion Bridge Co.'s business showed an increase of approximately 25 to 30 per cent over the corresponding period of the preceding year, according to a statement made by W. F. Angus, vice-president, at the annual meeting of shareholders.

In discussing new developments by the company, Mr. Angus said in part: "At the annual meeting a year ago reference was made to a marked change in the method of fabricating steel containers and smaller structures brought about by the use of welding for joining the component parts; also it is the decision of your directors to keep your plant and technical organization fully abreast of these developments.

### Install New Equipment

"All of your plants have been equipped for Class 3 welders which covers much the largest proportion of the welding work now being carried on, including, as it does, both the steel tanks for carrying liquid and ordinary structural framework.

"For the welding of heavy materials, the specifications require that the work be normalized in an approved stress-relieving furnace before being put into service. Early in the season the directors authorized the construction of a stress-relieving furnace at the Lachine plant, complete with temperature control and recording devices, which allowed that plant to qualify for Class 2 welding.

### Lachine Fully Equipped

"There is some demand for Class 1 welding, such as pressure stills for oil refining, steam boiler drums, etc., and as no one in Canada is now equipped to comply with the specifications, it must all be imported. To meet this situation and having in mind the possibilities that the demand will steadily increase, your directors have authorized construction of a normalizing furnace which will permit a normalizing of the largest welded container and also the purchase of an X-ray apparatus, which will qualify your company to carry out Class 1 welding on material up to three inches in thickness.

"The furnace is now nearing completion and it is expected that within two months your company will be prepared to undertake Class 1 welding not only for itself but also for other fabricators of pressure containers."

**Investment Analysis**

# Frost Steel & Wire

## First Preferred Has Investment Attractions—Common is Gamble on Agriculture

Please outline the capital set-up of Frost Steel & Wire Co., also the latest earnings and prospects for the future. Can you give me bid and asked prices for the preferred and common, as I see there has been almost no trading?

Capital of Frost Steel & Wire Co. consists of $841,000 of seven per cent preference shares of $100 each, $500,000 of seven per cent class A preference stock of $100 a share, and 30,000 no par value common shares. Earnings on the first preference shares were $6.86 a share in the year ended Oct 31, 1935, compared with $2.62 a share in 1934.

Payment of dividends on the first preferred has been resumed, and accumulated arrears on the stock are being held to $19.25 per share. Arrears on the class A preference stock amount to $28 per share. The total amount required to liquidate all these arrears at present would be approximately $302,000. The earnings in 1929, the best pre-depression year, totalled $194,000.

### Position of Arrears

It is possible, of course, that these arrears will be wiped out by giving preferred shareholders some form of additional securities as a compromise. Meanwhile, however, earnings have not risen sufficiently to assure the company's capacity to pay both first preferred and class A preference dividends in full each year. Hence, it does not seem likely that any plan will be proposed in the near future to deal with the arrears.

Until the preferred arrears are dealt with, there is nothing in sight for the common shares. The company's earnings depend to a large extent upon crop conditions and price levels for agricultural products. The company's business consists largely of a sale of fencing in farm areas, and Frost Steel will benefit materially from any improvement in agricultural purchasing power. When conditions were at their best, the company showed earnings of nearly $3 a share on the common stock after payment of full preferred dividends.

### Prices and Prospects

The current bid price for the preferred shares is about $97 each, and the offering price approximately $100. The preferred shares have attractions in that if agricultural recovery continues, there is the prospect of receiving a full seven per cent return, plus some adjustment for the arrears of $19.25 a share.

The common stock is quoted $3½ bid, without an offering. Possibly, shares might be available around $4 each. No public offering of the class A preference shares has been made, and there are no quotations available.

The current quotation for the first preferred is the highest since the present stock was placed on the market. The highest price for the present common shares was $15 each in 1929. The common represents a gamble in long-term recovery of prosperity by agriculture.

The management is regarded as capable, and the company's financial position has been kept healthy, partly, of course, by non-payment of dividends.

# Rackets

## One Job at Two Wages

A LABOR racket that flourished during the course of a public works construction project in an eastern Canadian city, succeeded because those in charge of operations failed to understand human nature.

Numbers of motor trucks were used to transport cement and other materials to a travelling cement mixer. The work proceeded on a 24-hour schedule, and it was necessary to employ men to check the arrival and departure of the trucks at the mixer, since they were being paid on an hourly basis.

Instead of one man checking the trucks at the cement mixer, two men were engaged on the theory that one would check against the other's record, and prevent collusion between the checker and truck owners who might arrange to have trucks "checked in" when they were actually being used on some other contract. The implication was that truck owner and checker might split the unearned profits.

* * *

THE checkers, however, were very human. In the dark hours of the night shifts they made arrangements by which one man would complete the two records for half the night, and the other would take over the task for the remainder of the night. Both checkers' records were turned into a central office as the independent work of each.

The scheme operated successfully. Checkers worked on half time and the costs of their wages were twice the total they might have been. The bill was paid by a well known public utility, which incidentally was using dozens of travelling cement mixers and hundreds of trucks at the time.

Suggestions for
February Investment

OUR February booklet containing a diversified list of Dominion, Provincial, Municipal and Corporation Securities is now ready for mailing. We shall be glad to send you a copy on request.

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# Canada Permanent Mortgage Corporation

## *Annual Meeting*

### Mr. F. Gordon Osler, President, and Mr. John A. Rowland, K.C., First Vice-President and Joint General Manager, Address Shareholders.

The President, Mr. F. Gordon Osler, after paying tribute to the five Directors of the Corporation who have passed away since the last annual meeting, namely, Sir Albert E. Gooderham, Mr. George H. Smith, Mr. William Stone, Mr. W. G. Gooderham and Mr. Norman MacKenzie, K.C., said in part:

As the Financial Statement will be discussed at greater length in some detail by one of the Joint General Managers I shall refer to it only briefly and in a general way. The total assets of the Corporation show a decrease of approximately $1,300,000, accounted for by a corresponding decrease in the outstanding Sterling debentures. In May last we had falling due approximately £315,000 of these debentures and, owing to the uncertainty which then prevailed both in the loaning and in the exchange situation, the Directors thought it advisable to pay off the whole maturity rather than renew, and this was done. Sterling debentures to a somewhat smaller amount maturing in November last were practically all renewed or replaced at a lower rate of interest. A drop in the amount of outstanding currency debentures is more than offset by an increase in savings deposits. One of the striking features of the Statement is the amount collected in reduction of mortgage principal notwithstanding the existence in the greater number of the Provinces of moratorium legislation. The amount invested in liquid securities, and the distribution as between Dominion, Provincial and Municipal bonds has not materially changed since the end of 1934. The cash on hand, while somewhat less than that at the end of the preceding year, is more than ample for all our requirements. There is, as might reasonably have been expected, a slight decline in the net earnings but, on the whole, interest collections have been well maintained, and our feeling is that we may look forward to greater business activity during the coming year.

Turning from our own Corporation to a more general view of business conditions, the results of the past year were not all that we might have wished for but there is no reason for pessimism. The year was not without its disturbing features. Wars and rumors of wars abroad, elections and political turmoil at home, are not conducive to normal business activities, and 1935 had a fair share of them all. The disappointing results from the Western wheat crop, coming as they did after a series of difficult years, naturally affected our earnings. But that is only one side of the picture. Statistics are not always reliable and they do not always support the conclusions which they are intended to support, but the indications of improvement are so numerous and varied and of such a nature as to warrant the conclusion that the upward movement in business, which began in 1933, has continued throughout the year, that the general situation is distinctly better than it was at the end of 1934, and that we may look ahead with greater confidence than we have felt for some time past.

The large number of unemployed continues to be a matter of great concern, and it is sincerely to be hoped that with the growing confidence which naturally follows an increase in business the number will be rapidly reduced. Nothing perhaps would conduce to this desired result more quickly than a renewal of building activities. The total value of our building permits during the year was $45,000,000—an increase of $19,000,000 over the preceding year, but it is still far short of the figures for our pre-depression years and also short of our ordinary requirements. There appears to be a general demand for housing accommodation throughout the country, and if our builders can feel sure that their operations will not be hampered by unwise legislation, we may reasonably expect a considerable extension of our building programme during the coming season.

The value of our mineral production for 1935 is given as $308,000,000, or an increase of $30,000,000 over 1934. It is interesting to note that gains were registered in every branch of the industry, that they were consistently maintained throughout every month of the year, that the dividend payments of our mining companies reached the splendid total of $58,750,000, that while the monetary value of the production of nickel, copper, lead and zinc was somewhat less, the tonnage was far in excess of that for 1929.

In agriculture we were not so successful. The total value of our field crops is estimated at $506,614,000, which is considerably below the estimate for the preceding year, and is largely accounted for by the lower prices of coarse grains. It is a rather curious fact that, while the consumption of farm products remains fairly constant, the general level of prices falls in times of depression and rises in periods of increasing industrial activity more quickly than the prices of manufactured goods. In December 1932 the monthly average of wholesale prices of farm products was 42.6% of the prices prevailing in December, 1926. In April and December of 1935 they were 64.7% of the prices for the corresponding months of 1926, 7% higher than in 1934, and 50% higher than the lowest level reached during the depression, with a consequent increase in the purchasing power of the farmer and in his ability to make the necessary replacements in his equipment.

#### Improve Public Finance

If a revival of business is the first essential in our economic recovery, economy is the second. It will readily be admitted that our governing bodies have been spending too freely and borrowing too extensively. One cannot but sympathize with our political leaders in times like these, and one appreciates the fact that the pressure which they have to resist is tremendous. Nevertheless the fact remains that public works which are unnecessary or unproductive should not be undertaken for, whatever may be their temporary or local effects, they simply force us deeper into the pit from which we are trying to escape. The country will welcome with pleasure the indications which we have had that an effort is now being made to regulate our public borrowings and to bring them into line with our legitimate requirements and our ability to pay.

It is a common complaint that we are over-governed, that we have too many governing bodies, that their activities are both too numerous and too costly. To some extent that will always be true in this country until there is a substantial increase in our population. Nevertheless a great deal can be done to relieve us from the overlapping which exists to-day, and from the unnecessary duplication of government departments and departmental activities which cause confusion and add materially to the worry and expense of business operations for those who are attempting to carry on business in the various provinces.

Another matter which is due for serious consideration is the matter of moratorium legislation. It is admitted that such legislation is unsound in principle. The sugar coating to render it palatable is that it is temporary, that it is designed to meet a particular situation and will disappear when its purpose has been served. We venture to suggest that the time has come when it should disappear. Our chief concern to-day is not—is the Act valid but should the Act be retained? Where legislation is sound in principle but faulty in administration the faults can easily be corrected, but where the principle of a legislation is unsound its vicious tendencies will assert themselves despite all efforts to prevent it. Experience, we think, shows that the benefits from this type of legislation are imaginary rather than real. The number of borrowers who invoke its assistance is not large and that number is decreasing rapidly, but the legislation continues as an obstacle to the free operation of mortgage lending, and to the detriment of borrowers who require this kind of assistance and would otherwise be able to obtain it. It is not the attitude of a particular loaning institution or of a particular type of Directors. Loaning institutions are simply dealing with the accumulated savings of a large number of individuals and they cannot lend where a private investor will not lend, and mortgage loans cannot be made unless there is a reasonable certainty that the mortgage contracts will be allowed to operate without arbitrary interference from governments or government officials.

In this connection perhaps it might be well to say a word on the general attitude of loaning companies to their borrowers—a matter which has been the subject of a great deal of direct and indirect misrepresentation during the past few years. A loaning Company exists for the purpose of lending money—that is, of making loans, of recovering them when they mature, and of re-lending. When they make a loan to an individual it is with the intention and in the expectation that he can use the money to his own advantage, that he will repay it when it falls due, and own his property free of encumbrance. The Company can prosper only as its clients prosper. It is as deeply interested as is the most paternal government in maintaining the competent farmer on the land and the honest home owner in his home, and it is our experience that the policy, not only of this Corporation but of loaning companies generally, has been directed toward this end. The executive officer who proceeded upon the assumption that either he or his Company could wax and grow fat on a wholesale programme of foreclosure actions and evictions would have a short official life.

It is rather unfortunate that the credit of Canada should have suffered as it has suffered from the ill-advised remarks and actions of some of our political leaders. We welcome the report of an interview with the Honourable Mr. Dunning which appeared in the Toronto "Globe" a few days ago, and a portion of which I would like to quote:

"The credit of the Dominion of Canada must be maintained to the letter; we must pay our obligations in accordance with the terms of the contract," he declared with emphasis. "There must be one sound rock, and that is the credit of the whole Dominion. You remember what happened to the bonds of South American Republics which repudiated their obligations when the borrowers said they could not pay? Canada is not going to become a South American Republic. Canada can pay her debts and will pay them."

One feels that Mr. Dunning is expressing not only his own thoughts but the thoughts of our people generally. Sanctity of contract is not a matter of political expediency, it is the corner stone of our economic structure and indeed of our social existence.

#### Value of League of Nations

As a country, rich in natural resources, with a small population, our prosperity depends upon the existence of foreign markets, and we are therefore directly and immediately concerned with what is going on in the world at large. Fortunately, I think, we are, and shall continue, a component part of the British Empire, and both our interests and our wishes are in the direction of World Peace. One cannot view without some misgiving the tremendous expenditures on armaments in the world to-day, but one cannot reflect without a feeling of satisfaction on at least some of the events of the year which has just closed. He would be a foolish optimist who attempted to convince himself that war is entirely a thing of the past, but he would be blind and deaf to what is going on about him did he not perceive that war, as a means of settling international difficulties, is becoming increasingly unpopular, and that the Monarch or Dictator who feels the impulse to enter upon a campaign of armed aggression finds it necessary to justify himself, if he can, in the eyes of the world. To a remarkable degree the League of Nations has been coming into its own. Its objects and purposes are being accepted as active principles of political action, not as the catch words of political parties but because they represent more and more the thoughts and feelings and conscience of the common people. It is a great thing to see the Nations of Europe, small as well as large, openly and actively professing allegiance to a common principle and a common purpose. It is a long step toward the removal of that narrow and economic nationalism which has been perhaps the most serious barrier on the road to world recovery.

It has been the good fortune of the Corporation to enjoy the confidence of many clients and investors in Great Britain for many years, and it is with a feeling of pride that we acknowledge the leadership that she has given in the support of the ideals, objects and purposes to which I have just referred. We join with all Canadians, all citizens of the Empire, of the world at large, in an expression of sorrow at the loss which the world has sustained from the death of one who was not only a great King but a lover and promoter of Peace, our late Sovereign George V. We likewise join in an expression of loyalty and affection for one who has long had a place of his own in all our hearts, His Majesty King Edward VIII.

#### Mr. John A. Rowland, K.C.

The First Vice-President and Joint General Manager, Mr. John A. Rowland, K.C., said in part:

It is a well-established fact that periods of depression afford an open season for political idealists and economic theorists, and in that respect the depression from which we are emerging has been running true to form. One wonders why men allow their frames to be racked and tortured by rheumatism when the newspapers advertise so many inexpensive and effective cures, yet rheumatism remains. One also wonders why fluctuations in business are allowed to recur when there are so many obvious remedies and so many people willing and anxious to apply them, but the more alluring the remedy the more completely it fails to take into account the strength and weakness of human nature, and ignores the lessons of history. Dishonest men indulge in dishonest practices, honest men pay the price of mistakes in judgment, in a changing world we have frequently to adjust ourselves to changing conditions, but that is no reason why we should surrender our political freedom or the individual should be deprived of the legitimate fruits of his industry, his intelligence and his integrity. As a people we are disposed to accept the experience of the past as a surer guide than the keenest conclusions of logic, and we are not likely to abandon a system under which our country, in its comparatively short history, has made rather remarkable progress, and has been able to secure to the overwhelming majority of its population a standard of living and a measure of comfort which is probably not equalled and is certainly not surpassed on any corresponding area of the earth's surface.

While there is a considerable disagreement among our political and economic physicians in the remedies which they have to offer, there is a considerable agreement among them in their apparent inability to understand and their tendency and willingness to misrepresent the part which our financial institutions play in our national life. Perhaps, therefore, I can not better employ a few moments to-day than in an attempt to describe to you what we are, what we are attempting to do, our relations to the various problems which are being discussed, and our prospects for the future as I see them. As you are aware, the Canada Permanent has been in business for slightly more than eighty years. They have been important years in the history of the Country, and in that history this organization has played its part. That part has been to enable the farmer to acquire and own his land, and the home owner to construct or purchase and own his home. We believe that nothing conduces more to the stability of a country than that the ordinary citizen should have a direct personal interest in its welfare. Nothing has contributed more to the stability which Canada displayed during the difficult years through which we have just passed than the strength of our financial institutions, and the proprietary interest which the vast majority of our citizens have in the country itself.

#### Accumulated Savings of Many Individuals

The Corporation has under administration approximately $70,000,000. Contrary to the impression which some people seem to have, that money does not belong to the General Managers, neither does it belong to the Directors. $7,000,000 of it is represented by the paid-up capital stock of the Corporation, and $5,500,000 by our Reserve Fund, and the balance at the credit of Profit and Loss account; $11,350,000 by Sterling Debenture Stock and Sterling Debentures; $28,300,000 by Currency Debentures, and a little more than $16,500,000 by Savings Deposits. We have 2,816 Shareholders, and the average holding is about 25 shares, 23,570 Depositors with an average credit balance of $703.00, 5,392 Sterling Debenture Holders with an average holding of $1,950.00, and 18,802 Currency Debenture Holders with an average holding of $1,485.00. In other words, 50,580 people contribute to the funds which it is our duty to administer. These funds are, so far as is possible, invested. Approximately $12,000,000 is represented by Cash and liquid securities, and about $52,000,000 is loaned on mortgages on real estate. We have 17,124 mortgage accounts spread over the whole of the Dominion. If you will add this figure to the figures given before you will find that the total number of our clients, if I may use the term, is 67,704. The figures are not quite accurate because, of course, a shareholder may have a Savings Account, and a Debenture Holder may also be a Depositor, but it is safe to say that between 50,000 and 60,000 people have a direct personal interest in our business operations.

From what I have stated certain inferences may be drawn which are fairly obvious. We are concerned, and deeply concerned, with the prosperity not merely of a part of Canada but of the whole of Canada, not merely of a section of our people but of the whole of our people, when times are difficult for them they become difficult for us, and as a Loaning Corporation our Annual Statement cannot reflect the results of an improvement in business until the effect of that improvement has reached the farmer, the wage earner, and the small salaried man.

Mr. Smith, in his address last year, dealt at some length with the division of our mortgages as between farms and urban properties, and their distribution as between the various provinces. The figures quoted by him have not materially changed except that the percentage of mortgages in the East has increased, and the percentage in the West, particularly in the Prairie Provinces, has fallen. As you are aware, these mortgages vary in their terms. Some of them are what are known as "straight mortgages," while others call for interim payments on account of principal. Of the number mentioned 13,879 or 81 per cent. show a decrease of approximately $11,300,000 from the amount of the original advances, from which you will understand that despite the difficulties which many of our borrowers have had to face their principal payments have been well maintained. During the past year we collected on account of principal $740,000 more than in the year 1934, an increase which was fairly distributed among our several Branches, and this in spite of the existence in all of the Provinces except the Maritimes, of moratorium legislation. There was a falling off in the amount of our interest collections due in part at least to a reduction in the interest rate on new loans and mortgage renewals, but largely offset by a reduction in the rate on deposits and new debentures. As the President intimated in his remarks, building operations have not yet returned to their normal activity, and for that and other reasons our lending has been curtailed for some time but we may fairly expect an improvement in that respect in the near future.

At this point it may not be out of place to make a special reference to the situation in the West. The result of the wheat crop was, of course, a bitter disappointment, the more so as it followed a series of difficult years. Nevertheless the position of the Western farmer today, and his outlook for the future, is vastly better than it was a year ago. The succession of dry years has evidently been broken, while the growth during the early part of the summer of 1935 has shown beyond question that even in the sections which suffered most from drought the productive energy of the soil has not been impaired. In large areas where there was nothing but desolation before, they had in 1935 wheat, oats, barley, clover, corn, and an abundance of feed for man and beast. It has been said that the laws of nature function everywhere except in Ireland. Experience seems to show that there is a sort of regularity in the recurrence of the lean and fat periods in our Western Provinces, and that there is a sound basis for the new spirit of optimism on the part of the Western farmer, that his difficult years are behind him and better times are directly ahead. It is a matter of common knowledge that the recuperative powers of the West are great and that two or three years of normal production with average prices will enable them to overtake and overcome the liabilities which have accumulated against them. In this connection I take the liberty of quoting to you from the Budget Speech of the Honourable Mr. Gardiner, then Premier and Provincial Treasurer of Saskatchewan, now Minister of Agriculture for the Dominion, delivered in the Saskatchewan Legislature just a year ago:

"Our possibilities are well illustrated in the figures given at the beginning of my speech. In three years with good prices, Saskatchewan farmers produced $1,180,000,000 worth of new wealth with which to pay the price of home building in this province. In three bad years with poor prices, the worst in our history, the same Saskatchewan farmers produced $354,000,000 worth of new wealth. The most pessimistic man in Saskatchewan or outside it, would not say that we owe $800,000,000. Some put it as low as $400,000,000. Others run as high as $600,000,000 but none, so far as I know, have estimated the amount owed in the province as high as $800,000,000."

#### Mortgage Interest Rates

There seems to be a misunderstanding on the part of some of our borrowers of what it is that governs the mortgage interest rate, and to this misunderstanding irresponsible remarks of some of our public men have contributed materially. We have to borrow in order to lend, and we have to borrow for a term in order to lend for a term. A very large proportion of our mortgage money is debenture money. The rate of interest which we pay on a debenture is fixed at the time the debenture is issued and continues until the debenture matures. The term of a debenture is normally from three to five years, and we are now, and will during the years 1936 and 1937, be paying at the rate of 5% per annum or more on the debentures which were issued in 1931 and 1932. It is not long since one of our public men criticized rather severely the actions of Boards of Directors who had committed themselves to so high a rate of interest for so long a term. The gentleman evidently forgot that at the time these debentures were issued the Dominion Government was paying more than 5% on its bonds, and some of the Provinces were paying as high as 6%. The rate which we contracted to pay we shall continue to pay until the contract comes to an end. It is unthinkable that we should ask for any concession, and the word "repudiation" has no place in our vocabulary.

The rate on a mortgage loan is fixed at the time the loan is made and it bears a close relation to the debenture rate prevailing at that time. The rate so fixed is expected to continue until the mortgage matures. It sometimes happens, as it has happened now, that the rate which a borrower is paying on his mortgage, and is expected to pay until the maturity of the loan, is somewhat higher than the current rate at the present time. He finds it difficult to understand why his interest rate should not be reduced when the rates which we are paying to-day on deposits and new debentures have been reduced. He forgets that the average cost of our mortgage money is substantially higher than the rate prevailing today, because of the facts which I have just stated. However the wind does not always blow in the same direction, and interest rates do not always drop. When his mortgage matures, if the loan has been satisfactory and the security has not been impaired, he can renew at the prevailing rate, and if during the term of renewal, the interest rate rises, he will not be asked to vary his contract. The normal life of a mortgage loan is from twelve to fifteen years, and during that period inequalities or injustices which seem to exist at a particular time are well adjusted.

The matter of taxation and the excessive cost of government have been so generally discussed that I merely mention them here. As the President has suggested, there seems to be no valid reason for the duplication and multiplication of government departments and departmental activities which are not only troublesome but add materially to the cost of doing business. This is a matter which concerns not merely the management of the Corporation but the fifty or sixty thousand people who are directly interested in its operations, as I pointed out in the beginning of my address. We are told that what we require is a revision of the British North America Act. It is quite possible that the Act requires some revision. It is quite certain that our mental attitude requires even more revision. I am not one of those who are disposed to blame the Government for the depression through which we have just passed, nor do I expect them to lead us out of all our difficulties. One is reminded of the old couplet—

"How small of all the ills that men endure,  
The part that Kings and laws can make or cure."

I have no faith, and the majority of our people have little faith, in a rigid, written constitution, for a young and growing country in a changing world, but we do ask to be delivered as far as possible from government interference in our attempts to work ourselves out. The object of the British North America Act is perfectly clear, and it has accomplished its purpose to a remarkable degree. It was intended to create and maintain a political and economic unit extending from Halifax to the Pacific Coast, and no one can deny that a great deal of our Provincial legislation and many of our Government activities, whatever may be their legal status, have been inconsistent with the spirit of the Act. It will be difficult to convince the ordinary man that much cannot be done to afford relief to the tax payer and to business generally under the Act as it now stands without impairing in the slightest degree essential Dominion or Provincial rights.

#### Income Tax Exemptions to Aid Home Building

While we appreciate the difficulties of the Governments in the matter of revenue, I venture to suggest an amendment to the law regarding income tax. It is, I think, rather unfortunate that the Dominion Act does not allow as an exemption the municipal tax and the mortgage interest which the home owner pays on his home. There is perhaps nothing we can encourage to-day with greater benefit to industry and employment than an extension of our building operations, and the granting of such an exemption would do not a little to encourage the building and purchase of homes. One frequently hears it said that it is cheaper to rent than to own, and the truth of the statement cannot be denied. There is apparently at the present time a demand for housing accommodation, and I venture to suggest that not only would it be in the interest of the builders but it would react to an improvement in business conditions generally and a reduction in unemployment if the inducements to purchase and own the home in which one lives were increased.

It has become a habit, and I conform to it with a great deal of pleasure, to announce to you a very distinct improvement in the business of our Trust Company. Notwithstanding an increase in our cost of operation by the separation to a greater extent than heretofore of our Head Office administration, the Company's business shows a net profit substantially the same as that of a year ago. After payment of our annual dividend of $60,000 and transferring to a special reserve $30,000, we have added to our Profit and Loss Account approximately $5,600. At the same time our Assets under Administration have increased by slightly more than $6,000,000, giving us total assets on December 31st of $44,253,334.68.

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# Successful Enterprise Is Survival of Fittest

## Obsolete and Incompetent Business Eliminated by Natural Laws

By E. J. YOUNG

Common sense is that balance of faculties which enables its possessor to appraise everything in life at its true value.

Common sense in business requires that we realize the world does not exist for the sake of any one business, and that it is not the duty of the government to keep any man in business. If a man wants to be in business, he must justify his right by rendering a service that the people want.

The opinion seems to prevail in some quarters that once a business has been established, it is entitled to perpetual life and that it is the duty of the government to see that no new force arises to destroy it.

It is interesting to speculate as to what would happen if the state were to undertake to see that no one is forced out of business by his competitors.

We all cling to life and do everything we can to prolong it.

If we could do so, we would eliminate death altogether. But if we did it would be a world of selfish old men who had succeeded in finding places for themselves and refused to make room for younger ones, even denying the right of a new generation to be born. For once man has succeeded in closing the exit from the world, he will endeavor to close the entrance also.

**E. J. YOUNG**

**Former M.P. for Weyburn, Sask., author of the dissenting report of the Price Spreads Commission, is well known for his opposition to state paternalism in any form. In the accompanying article are salient features of a series of addresses delivered by Mr. Young at most Canadian Clubs throughout the Dominion.**

#### Constant Adjustment

Common sense tells us that it is not desirable that we live forever and we want to remain here only so long as we have the vigor and the interest that enable us to keep ourselves constantly adjusted to ever changing conditions.

In the business world the same holds good. If every business, once established, were sheltered and protected by the government and its existence continued after the vigor, the life and the enterprise had passed, it would mean an absolute end to progress.

The electric railway would be forbidden to compete with the horse car, the linotype machine forbidden to compete with the compositor, the steam boat with the sailing vessel, the airplane with either one, the bus with the stage coach.

#### The Case of Railways

There are our railways. They were built in the first instance by public assistance, nursed through the years by kindly governments, enjoying a monopoly of the transportation business, protected in their charges by public authority which gives them rates on a cost plus basis, shielded in every way from competition.

They showed little sign of progress until the bus and the motor truck appeared on the scene and threatened their solvency.

Left to itself, every new invention, every improved process, every new competitor will either destroy the old or inject new life into it.

We all expect to pass away some day and we know that day will come when this human mechanism ceases to function properly. We do not resent that. We regard it as inevitable and we know it is a wise provision of nature. But when it is a question of the life of a business enterprise, we seem to think every casualty a crime and we look to the government to prevent it.

What business can a government run and run properly?

People point to the post office as an outstanding example of successful government operation. But the post office is not and never was self-supporting.

#### Competition is Decisive

Admitting then it is desirable that the obsolete and incompetent in business be eliminated, the question arises. By what process should the elimination be carried out?

If it is left to the forces of competition, the people a business is serving will be the judges of whether they want its service or not. If they still want its service, they will patronize it, if they don't they will pass it by and it will soon be eliminated. The consuming public will eliminate it by the simple process of leaving it alone.

If we adopt this process, every man's success will depend upon his ability to please his customer, that is nature's way and we cannot go far wrong in following her.

#### Business Management

Left to the free play of economic forces, business refuses to be mismanaged. He who neglects or mismanages is soon eliminated by the relentless force of economic law.

This may be a cruel process but the only alternative is state regulation that will either hold the competent and the enterprising down to the level of the incompetent and the obsolete or permit them to get away with enormous profits.

"All economic questions should be studied from the standpoint of the consumer, for the consumer's interest is the interest of the human race." This principle, laid down by Bastiat many years ago, is being sadly neglected today. We are forgetting the consumer altogether.

The consumer is not asked what his circumstances are or whether the price is fair to him. His function is to pay, yet in the long run the consumer must be the master.

#### Exports and Supply

Owing to the fact that the exporting countries have been unable to sell their surplus products, they all have an abundance of some kinds of wealth for which their producers are offered prices not at all in keeping with the cost of production.

Unable to get their production costs out of their products, these producers are unable to buy the products of other people.

As a result fewer goods are being bought than the people can supply. Hence the cry of "poverty amidst plenty" and hence the demand to reduce the plenty.

The truth is there is no plenty. There are not nearly enough goods in existence or being produced to supply the needs of the people. A careful investigation by the Brookings Institute revealed the fact that America was never able to produce all the goods her people want to consume. If America cannot produce enough to supply the wants of her people, certainly no other country can.

Many schemes for restricting production are being advanced.

Common sense instinctively rebels against these schemes and the experience of other countries tells us that common sense is right.

#### Canada's Position

Canada is essentially an exporting country. We produce a limited variety of products and produce them in large quantities. One-fifth of our people are entirely dependent on the export market.

The other four-fifths are partially or indirectly dependent on it. The domestic price of our exportable products is determined by the world price of the same products. We cannot control the world's price, common sense demands that we accept the world price for our exports and endeavor to bring all other prices into line with it.

There is a close analogy between doles to individuals and bonuses to industries.

The claim we hear in some quarters today that the government owes every man a living can be traded to the doctrine accepted in the past that the government owes support to certain industries.

#### A Public Santa Claus

Ask any soap box orator who is telling the people that the government owes him a living, on what he bases his claim and he will tell you that he has as much right to be supported by the state as any corporation that has received state aid in the past.

He will tell you that he has been taxed for the benefit of other classes and it is only fair that in his hour of need they should be taxed for his benefit.

What answer can you make to that? None.

We are coming to the time when we will have to do one of two things. Either the state will have to be Santa Claus to everybody or it will have to cease being Santa Claus altogether.

#### Philosophy of Business

If I were asked to outline the philosophy for the business man, I would say:

1. Every man wishing to continue in business should establish his right to do so by rendering a service that the public is willing to pay for.
2. Every business should stand on its own feet and depend for its profit on what the public is willing to pay for the service rendered.
3. Business is more efficient and in a healthier condition when it has live competition that will force it to efficiency or to bankruptcy.
4. If business is going to run to the government for favors, it cannot complain if the government interferes with business and undertakes to control it.
5. A merciful providence that removes a man from the world when he is no longer able to look after himself would be equally kind to business if we would let it.

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### Gleneagles Investment Company Limited

3940 Cote des Neiges Road,  
Montreal, P.Q.

Notice is hereby given that the Directors of Gleneagles Investment Company Limited have authorized a payment of interest on March 1st, 1936, at the rate of 1½% on the 5% First Mortgage Income Bonds of the Company.

This payment covers the balance of the interest due June 30th, 1934, and ½ of 1% on account of the interest due December 31st, 1934.

GLENEAGLES INVESTMENT COMPANY LIMITED,  
PAUL H. HECHT,  
Secretary.

February 1st, 1936.

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## DIVIDEND NOTICES

### The Canadian Bank of Commerce

Dividend No. 196

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 29th February, 1936, and that the same will be payable at the Bank and its Branches on and after Monday, 2nd March next, to shareholders of record at the close of business on the 31st January, 1936. The Transfer Books will not be closed.

By Order of the Board,  
S. H. LOGAN,  
General Manager.

Toronto, 17th January, 1936.

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### THE PETROL OIL & GAS CO. LIMITED

(No Personal Liability)  
DIVIDEND NO. 15

A dividend of 2 cents per share has been declared upon the shares of the Company for the current half year, payable March 1, 1936, to shareholders of record February 15th, 1936, and there will be paid therewith a bonus of 2 cents per share out of last year's surplus profits.

By order of the Board.  
A. E. BECK,  
Secretary-Treasurer.

Toronto, January 30th, 1936.

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### Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 276

A regular dividend of 1% has been declared by the Directors on the Capital Stock of the Company, payable on the 25th day of February, 1936, to shareholders of record at the close of business on the 10th day of February, 1936.

Dated the 3rd day of February, 1936.

I. McIVOR,  
Assistant-Treasurer.

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### AGNEW-SURPASS SHOE STORES LIMITED

NOTICE

Common Dividend No. 5

A Dividend of .20c has been declared on the No Par Value Common shares of the Company for the six months ending November 30th, payable March 2nd to shareholders of record February 15th, 1936.

Preferred Dividend No. 32

A Dividend of 1¾% for the three months ending March 31st has been declared on all the issued Preference shares of the Company, payable April 1st, to shareholders of record as of the close of business March 16th, 1936.

By Order of the Board,  
K. R. GILLELAN,  
Secretary.

Jan. 15th, 1936.

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### MACASSA MINES LIMITED

(No Personal Liability)  
DIVIDEND NO. 5

NOTICE IS HEREBY GIVEN that a dividend of Five Cents per share, on the issued capital stock of the Company will be paid on March 2nd, 1936, to shareholders of record February 15th, 1936.

The Canadian five per cent. tax will be deducted from dividends payable to non-residents of Canada.

By order of the Board.  
L. SOLIAGUE,  
Secretary.

Toronto, January 29th, 1936.

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### Borden's

COMMON DIVIDEND  
No. 104

A quarterly dividend of forty cents (40¢) per share has been declared on the outstanding common stock of this Company, payable March 2, 1936, to stockholders of record at the close of business February 15, 1936. Checks will be mailed.

*The Borden Company*  
E. L. NOETZEL, *Treasurer.*

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SIMON'S HAVANAS

### H. Simon & Sons Limited

DIVIDEND NOTICE

Four quarterly Dividends of 1¾% amounting to $7.00 per share in full settlement of all arrears as of November 30th, 1935, on the Preferred Stock of H. SIMON & SONS LIMITED have been declared payable on the Twentieth Day of February, 1936, to stockholders of record as of the Tenth Day of February, 1936.

By Order of the Board.  
A. E. M. WARNER,  
Secretary-Treasurer.

Montreal, January 31, 1936.

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### Langley's Limited

PREFERRED DIVIDEND No. 20

Notice is hereby given that a Dividend of One Dollar and Seventy-five Cents ($1.75) (being at the rate of seven per cent (7%) per annum) per share has been declared on the Cumulative, Convertible, Redeemable, Preference stock of this Company for the quarter ending May 15th, 1934, payable February 15th, 1936, to shareholders of record February 6th, 1936.

By Order of the Board,  
P. G. SHAY,  
Secretary-Treasurer.

Toronto, January 31st, 1936.

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### McCOLL-FRONTENAC OIL COMPANY LIMITED

Common Stock Dividend No. 26

NOTICE IS HEREBY GIVEN that a dividend of 20 cents per share, being at the rate of 80 cents per share per annum, has been declared on the no par value Common Stock of McColl-Frontenac Oil Company, Limited, for the Quarter ending Febuary 15, 1936, payable March 14, 1936, to shareholders of record at the close of business on February 15th, 1936.

By Order of the Board,  
FRED HUNT,  
Secretary.

January 29, 1936.

THE FINANCIAL POST
SECOND SECTION
Vol. XXX Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, FEBRUARY 8, 1936 10c a Copy; $5.00 a Year No. 6

# Business States Its Case

## A Critical Jury Hears Evidence that Business Is Neither Fearsome nor Futile, But a Collective Form of Human Endeavor

BUSINESS is not the predatory and unscrupulous ogre painted by the soapbox orator.

Nor is it a perfected and philanthropic organization whose achievements far outrun the advances made in other phases of life.

Between the two extremes of thought, and answering both, Business took the witness stand at the tenth annual convention of the Canadian Chamber of Commerce in Toronto this week. Its spokesmen were business men, bankers, manufacturers and financiers. They presented the facts of business and its purposes in a light far removed from that of the theorists.

Candid in appraisal of the faults of business, but logical in assaying its values, said Arthur B. Purvis, president of Canadian Industries Ltd., "I believe the standards of business at their best provide a banner under which youth can serve with enthusiasm."

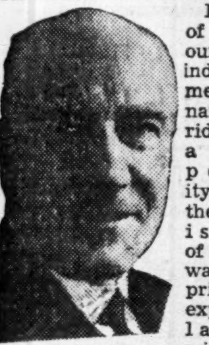
President of the Chamber A. O. Dawson referred to post-stock-market-crash days as a period of "Sinister stories of mergers, watered stocks, price-juggling, exploitation of labor and widespread executive misconduct were flaunted before the eyes of a bitter and disillusioned public." He urged a crusade against business evils.

In no sense a mutual admiration debate, speakers expressed their own concepts of the purpose of the business system. The Financial Post reproduces, in part, what they said.

## Plain Speaking

**By A. O. DAWSON, LL.D.**
**President, Canadian Chamber of Commerce**

THIS is no time to bandy words. I tell you now that some business men have lost the confidence of the public and they have nobody but themselves to blame for it.


A. O. Dawson

In the days of prosperity, our captains of industry, commerce and finance were riding high on a wave of popularity. Then came the crash. Sinister stories of mergers, watered stocks, price juggling, exploitation of labor and widespread executive misconduct were flaunted before the eyes of a bitter and disillusioned public.

### Scapegoat

They got their scapegoat easily enough, masquerading as a business lion. Guilty or innocent, business was dumb, and strangely enough, nobody else came forward to champion its cause. The press might conceivably have done so, but it could not accomplish much because, after all, stories of honest business or of the sound principles of capitalism never did build circulation.

We have been surfeited with so many tirades on what is **wrong** with business that the time has now come, I believe, to tell the people of Canada what is **right** with business.

There should be advocated a policy in and out of season of sound public finance. Budgets must be put into balance and outgo on the part of governing bodies must cease outstripping revenue.

Business should insist that our public contracts are honored and our financial obligations fulfilled. The proposal of the Federal Government to establish loan councils should have an emphatic public endorsement.

### Relief Administration

May I emphasize the need for a national co-ordination of the whole relief programme. Relief expenditures in 1935 continued to mount, despite considerable re-employment of those on the relief rolls, thus indicating a higher cost of relief per person. This relief burden last year is estimated at some 18 cents of every taxpayer's dollar. If co-ordination is not effected, under supervision and control of the Federal administration, then relief racketeering will continue. Here is a public enemy which needs wiping out.

On the other hand, every provision should be taken to play fair to the deserving, for to them business and governments have an obligation from which none of us will shrink.

### The Railway Problem

A word as to the railway problem. Our refusal to face this issue is costing us more than $50 millions annually, and diminishing the spending power of the taxpayer through normal business channels.

It is high time that prejudiced groups with an axe to grind should cease their trekking to Ottawa whenever railway economies are proposed.

Moreover, the moment is long overdue when whatever action is essential should be taken to eliminate unnecessary duplication and uneconomic competition.

The farmer should receive a higher return for the fruits of the soil and more markets should be made available for him. Until agriculture is in a healthy and happy state, business can never be truly prosperous.

Wheat sales will help him.

Bilateral trade agreements will serve him well.

The worker, moreover, is deserving of increasing recognition at the hands of industry. He is no robot of the machine age nor can he be treated as a beggar at pay-wickets of industry.

### Business Has Rights

Business is not anathema, nor should it be sergeant-majored. We believe, therefore, in the desirability of less government interference in business, and in the infallibility of the law of supply and demand. We do not believe in governmental monopolies and unwarranted encroachments in the business world, nor do we accept the economy of fixed prices.

If the State has rights, the individual has liberties.

Now is the time to act. We know our problems, we appreciate their urgency, we can even anticipate their solution through the ability of outstanding business leaders from coast to coast, our own delegates. I **dare** each of you to make the solution of these problems a personal objective, now and for the coming year. Spare no effort in co-operating with the Canadian Chamber of Commerce, in telling others of this job to be done, and in functioning as an active business crusader for what you believe to be right.

## The Business Concept

**By ARTHUR B. PURVIS**
**President, Canadian Industries Ltd.**

WHEN in recent depression times the hue and cry has been raised against business, the public has been induced to overlook the all-embracing nature of the term as applied to individuals. In the natural—though rather irrational — anxiety to pin responsibility for depressed conditions upon someone's shoulders, Business has tended to become synonymous with "Big Business"—no doubt due to the fact that the larger entities appear to have still more power for good or evil than they actually have.

Arthur B. Purvis

### Extreme Angles of Approach

Let us approach the subject from the two extremes of viewpoint.

One, that Individualism be allowed to work out its extreme concept, namely, that business is only a medium for earning profits for the owners of capital.

The other, that Socialism be allowed to work out its extreme concept, namely, that every citizen can look to the State for his regular means of livelihood.

Whichever of these is taken, we know that with human nature in its present stage of development, unhealthy reactions disastrous for the ultimate interests of the country are bound to result.

The great if gradual progress which has been achieved in the standard of living for the masses has almost entirely derived from a system which leans far more toward the individualistic theory, the theory that endeavors to harness the value of the economic urge.

Assuming in Canada a continuance of bias toward the individualistic view, the problem is to avoid the unhealthy reactions of the extreme of that view.

### The "Trustee" Viewpoint

I suggest this can best be achieved by fostering the "trustee" viewpoint, a viewpoint which consciously recognizes the responsibility of Business, but particularly "Big Business," to act as a trustee for the fundamental view that the earning of profits is subject to the obligation to serve the community at large.

If programmes of general principles and standards can be agreed upon in the various fields of industrial activity, the resulting concept would automatically exercise a moral suasion on such leaders, which would tend to prevent their extreme day-to-day difficulties from dictating a course incompatible with the trustee viewpoint.

I believe, too, that the standards of business at their best provide a banner under which youth can serve with enthusiasm, for we must remember that it is the "bad" in the system which is always being brought out whereas the good, is either unknown to all but a few or is accepted as a matter of fact and without comment.

### Management Obligations

There are practical obligations involved in the "Trustee" viewpoint.

In what directions do they apply?

It would seem that management has to recognize the following obligations:

First to the employee.

Second to the consumer.

Third to the owner who risks his savings in such enterprise.

Fourth to the State which acquires through taxation of earnings from business resources with which to discharge services.

Nevertheless a foundation of more immediate co-operation from the public also is involved in the success of business enterprise.

### Complementary Concept

In other words, a complementary concept to that of the trustee suggested for management is also required:

From employees, in the form of steadiness of purpose and willingness to examine intelligently the short-cut approaches to nebulous Utopias promised by the demagogues;

From the consumer, in the form of willingness to recognize the cost of the service which he demands and the necessity of paying for it.

From the State in the form of an attitude of co-operation with all legitimate moves on the part of business enterprise, coupled with efficiency standards similar to those it expects from business.

## Insurance

**By W. H. SOMERVILLE**
**General Manager, Mutual Life Assurance Co.**

ONE of the most important requirements of modern business is the sound distribution of credit facilities, and business throughout the world has progressed in direct relation to the emphasis which has been laid on the sanctity of credit obligations in various countries.

W. H. Somerville

In the distribution of negotiable securities, in which form practically all corporate financing is arranged, life insurance companies play an important part, as securities of this type are admirably suited to their investment requirements.

However, it is in the field of non-negotiable securities, such as mortgage loans, which involve experienced selection and supervision, that life insurance companies occupy a foremost place.

The large volume of funds which they have available for investment in this type of security has enabled them to provide the organization necessary to ensure success in this field of operation, and they have in this way made an outstanding contribution to the development of the country at large.

### Housing Funds

Life insurance is fitting into the present business system by co-operating in putting into effect the provisions of The Dominion Housing Act of 1935.

Although this act came into effect somewhat too late in the year for people interested in building to become familiar with its provisions, a number of loans have been made by life insurance companies under the terms of the act.

With the approach of building operations this spring, and a better knowledge on the part of interested parties of the terms of the act, its provisions are likely to be taken advantage of to a greater extent than has so far been the case.

Life companies with residential properties on hand have not experienced a ready sale for them; so that it is questionable if it would be wise to encourage borrowing unduly under the Housing Act except to persons of moderate means who would appear to be in a position to meet the payments required by the act.

## Western Equality

**By R. A. WRIGHT**
**President, Western Canada Livestock Union**

A PROPER conception of business from an agricultural viewpoint is exceedingly difficult because there is a maze of conflicting viewpoints among the various branches of agriculture.

R. A. Wright

Agriculture embraces many highly specialized lines of production. The Alberta cattle producers and the Saskatchewan wheat grower will differ in their opinion on our basic economics in comparison to the Ontario dairy producer or the British Columbia fruit and vegetable grower.

### Lower Tariffs Needed

For some time ahead I see the problem of marketing agricultural products, particularly those of Western Canada, as we are dependent upon the markets of the world as an outlet for our wheat and cattle.

The only way that these markets may be obtained is by a downward revision of tariffs to allow a free exchange of goods; a reduction in tariff duties will go a long way to modify western discontent.

I recognize there remains the fundamental difficulty of trying to keep within the same tariff range a highly industrialized community and a region of primary producers. This is what makes the task of the Statesmen of Canada to give economic justice to all groups within our borders so difficult.

### Profitless Crops

The farmer is under no obligation, economic or social, to turn out a profitless volume of crops for the profit of others.

Agriculture is not an insurance company issuing an insurance policy on food supplies without the payment of a premium.

Are we to continue with high tariff, throttling international trade, afflicting us with a surplus which has almost destroyed the wheat grower and has reacted to the detriment of industry, commerce and labor, who are inescapably tied up in the welfare of agriculture?

If this is to continue do not blame the farmer if he turns to governmental intervention, controlled production, fixed prices, bonuses and subsidies, all of which we know are basically wrong, but the farmer believes that it is a poor rule that won't work both ways.

The sole consideration is the opposition of business to governmental interference, the exception, of course, being the willingness to apply it to his own want, namely, the protective tariff.

Business thirst for free business does not go so far as to embrace the free admission of foreign and Empire products, produced more cheaply and therefore saleable to a larger number of people.

Whenever industry is ready to follow the theory of freedom to its logical conclusion we believe agriculture will be the first to fall in line. This would do more than anything else to solve the acute problem of the disposal of our surplus of farm products and prevent attempts of the farmer to lift himself through the ingenuity of fallacious economic theories.

### Equality Demanded

For when all is said, the commercial profit of the producer class is the only safe basis for judging agricultural operation including surpluses and exports.

The fostering of infant industry and the safe-guarding of the home markets means nothing for agricultural staples of which we are a heavy net exporter.

In short, the possibility of equality of agriculture with a protective industry is impossible for a net exporter country and this impossible position is not far from the reason for the alternative political proposition common today; that if prices of farm products cannot be raised behind the tariff wall the tariff wall must be lowered so that imports shall bring down the price of manufactured goods.

## Politicians

**By J. M. MACDONNELL**
**General Manager, National Trust Co., Ltd.**

SOMETIMES we speak impatiently of politicians, and when we do, it might be as well if we stopped, looked and listened, because we may ask ourselves why we are not politicians ourselves.

J. M. Macdonnell

We may have different reasons, but the real reason probably is that we are not prepared to take as much trouble as politicians — that is, the best of them— in the service of the public.

As businessmen we may make mistakes, during the year, but if at the end of the year our accomplishments outnumber our mistakes, our shareholders are inclined to say nothing. Politicians have a different crowd to answer to—the voters.

They know that there are people lying in wait to seize upon the slightest error they may make and if we want them to accomplish things we must realize their difficulties.

## A Dynamic Element

**By FLOYD S. CHALMERS**
**Editor, The Financial Post**

BUSINESS is not something apart from the lives of the people. It is the most dynamic element in it.

Floyd S. Chalmers

Business is simply the organization of the world's daily work. It is a system devised by man for dividing up labor and exchanging wealth so that every one can have more of the things he wants with less physical effort to obtain them.

Business is the most democratic thing in the world. It is run by the people for the people. It has its leaders. They are chosen by the people, not at the ballot box, but in the market place.

There is only one test to apply to business: how much has it done to free the common man from physical toil and insecurity of existence?

Applying that test, how efficient is modern business? Already our constantly evolving economic and social organization has lifted the common man from the squalor and hunger of the past into the abundance of the present. But what about unemployment? What about inequalities in the distribution of wealth? you ask.

### Employment Progress

Fair questions, these. We must face them. I may say that the glass on the table is half full. You may say that it is half empty. They mean the same thing. The historically important thing is that a few centuries ago the glass was practically empty; that the life of the common man held little of comfort or security.

Today there have been such advances that the commonest man in Canada enjoys what were once the luxuries of the few. Even the unfortunate individual on relief—who is the most obvious manifestation of the lack of perfection in our social organization—enjoys freedom from hunger. He would not exchange his position for that of the average peasant in Russia, outside of Moscow and other tourist show places. He is better off than the employed factory worker of a hundred years ago.

Yes, the glass is only half full; but tomorrow it will be three-quarters full. Life will be richer for everyone.

### Bourbons and Robespierres

There are three points of view toward business as toward most of the elements of life. Two of them are more or less articulate. They are the extremes on either side. Most of the debating is being done by the reactionaries, who resist change, and the revolutionaries who would achieve change by destruction—the Bourbons and the Robespierres.

Society has not in the past advanced its civilization by entrusting it for long to either one or other of these two groups of extremists and it cannot do so today.

Neither the Bourbons nor the Robespierres comprise more than a small fraction of mankind. The great mass of the people, when they follow the dictates of their own emotions or their own reasoning, are moderates in viewpoint. All the moderate viewpoint lacks today is militant leadership.

It is to me a simple truism that we have to make democracy work before we can make our social and economic system work, because it is based upon democracy. But we cannot make democracy work unless we shift the emphasis in education to the training of citizens and to the recognition of intelligence.

Democracy is only three inches from final success. Democracy counts noses. But three inches back of the nose is the brain. Democracy will work when it learns to count brains as well as noses.

The great merit of individualism as a way of life, as a part of the Democratic system, is that it recognizes the significance and importance of those three inches.

### The World Moves On

Our social organization will move on, and we must move with it. The direction in which we should move is not to the right nor to the left, but straight ahead.

But it is essential to understand and appreciate that the world cannot move ahead much more rapidly than the general diffusion of knowledge and understanding permits. Times such as the present are the despair of scientists, of captains of business, of geniuses of finance and liberal-minded leaders of democracy, because they find the mass of intelligence lagging behind their individual genius and aspirations.

In such a time the men whose ideas and efforts seem to be thwarted by the public's obsession with demagogic sideshows should not sit and twiddle their thumbs. They should assume an even larger part of the responsibility for the education of the public in the present achievements and a still greater possible achievement of science, learning, politics and business.

## The U. S. Viewpoint

**By HARPER SIBLEY**
**President, Chamber of Commerce of the U. S.**

BUSINESS in the United States points to its amazing accomplishment of producing and distributing one half of all the manufactured goods of the world by less than seven per cent of the world's population.

It shows that the greatest fortunes in our country have recently been made by distributing low-cost goods to the masses of the people—by rendering service to the multitudes.

Moreover, those who still believe that the greatest public good can only flow from a condition conducive to private initiative and freedom of contract warn all who will listen that a government which believes itself capable of controlling the economic life of its people will not hesitate eventually to control freedom of speech and freedom of the press, whenever criticism of government becomes too unpleasant and inconvenient.

This has been true of every government that has taken over control of the economic life of its citizens.

As every Anglo-Saxon should know, when free speech is suppressed no man is safe.

### Ill-fated Alphabet

The N.R.A. and the A.A.A. were declared unconstitutional by the Supreme Court of the United States —as it is believed many of the other statutes of the present administration will be in future decisions.

One reason was the alleged invasion by the federal government at Washington into areas of life originally reserved by the states, such as farming, mining, manufacturing or selling for local consumption only.

But the examples of Canada and of the United States, in recent years, have been pretty much of a beacon light to a world floundering in a sea of trade restrictions. The nations of the world watched with keenest interest the lead taken by Canada, in the Ottawa agreements, in an endeavor to "step up" the rate of trade interchange among the component parts of the British Empire.

Business between Canada and the United States has shown definite improvement. Canadian statistics show that the purchases of the United States from Canada in 1935 totalled 266 million dollars, or 20 per cent better than in 1934. Likewise Canada's purchases from the United States in 1935 totalled 311 million dollars, or 6 per cent better than in 1934.

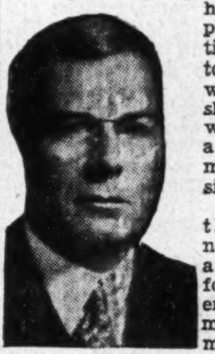
As we scan the figures of world commerce it is quite obvious how trade among the English-speaking nations of the world can be the great balance wheel of international trade.

The British Empire and the United States do 37 per cent of the world's international business, the Empire doing 27 per cent and the United States 10 per cent. We in the United States are dependent upon the Empire as purchaser of 40 per cent of our total exports and we rely upon the Empire for 34 per cent of the products we import.

## Capital and Labor

**By NORMAN J. DAWES**
**President, National Breweries Ltd.**

THE unprejudiced observer knows that capital and labor are partners in business and should work hand in hand. They are not separate groups. On the one hand, the employer's ambition should be to pay better wages. It should be the workman's ambition to make this possible.


Norman J. Dawes

Business in this country need not make any apology for its existence. It has many achievements to its credit.

When one sees the various services which have been inaugurated in the different industries, such as pension funds, sick benefits, group insurance, it is obvious to what extent executives have the welfare of employees at heart. These services constitute proof that industries place an increasingly higher value on employees' welfare and on other factors compared to profits.

Industry is endeavoring to operate as efficiently as the application of brains, ability and ingenuity will make possible. At the same time it is constantly trying to institute improvements which will benefit the two partners—capital and labor.

### Hampered by Taxes

While business has been doing its share for employees and endeavoring to maintain employment and wages, it has been hampered by mounting taxes. Governments are piling up debts which will eventually have to be paid out of taxation.

Taxes are reflected in the cost of goods to the consumer, therefore **he** is the one who eventually pays.

The foundation of real business is the creation of the means for the production of goods and services through work. That really is the stimulating object of business. If interference comes from outside sources, it is bound to have a harmful effect.

Business must move along its own plane, unhampered by unnecessary restrictions, interference and burdensome taxation.

On the other hand, if the country's physical and human resources are economically organized, wisely financed, and operated by business, through financial bodies working harmoniously together, with a broad social end in view, politicians would have less excuse to interfere.

### Criticism Needed

If, however, business as a whole cannot co-operate to rectify its own ills, then it must expect the government to step in. If this happens, the last state will be worse than the first.

Business is not entitled to expect freedom from criticism. We all know there have been ghastly mistakes in business. There is no reason, for instance, why any industry should be allowed to dissipate the natural resources of the country for the benefit of a few of its powerful customers just because the executives of the industry are too selfish to work together.

Today, on every side, we hear the capitalistic system assailed. Abolish profits is the theme song of the would-be reformer.

Do these critics realize that within the last few years very few companies have made even moderate profits?

The reasons are clearly defined: reduced consumption which decreases the demand for merchandise and services; the maintenance of staffs at as high a level as possible and also because wages have not been reduced to the level which the drop in demand might have justified.

### Fortunes Built on Work

Do critics also realize that it was surplus funds and hard work which aided progress in the past; that out of profits comes expansion, development and research which invariably help employment?

It is worth while remembering that all fortunes acquired in industry have been obtained through hard work and personal initiative resulting in reduced costs and prices.

These have remained in industry and have been used to supply the wants of the people more efficiently and abundantly than if taken over by governments and operated by them. Nor can governments employ these fortunes more usefully or more productively than the men who created them.

Business men must use every effort to co-operate one with the other, not with a purely selfish motive, but realizing that if industries are not regulated, regimented, controlled, generally badgered and taxed beyond the bounds of reason, this country will rebound quicker on to the road of normal conditions than by putting wild ideas or abstract theories into practice.

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# Protective Groups Mooted For Beauharnois Power

### President John S. Norris Says Income is Not Sufficient to Cover First Mortgage Interest Charges

From Our Own Correspondent

MONTREAL.—Without the Ontario Hydro revenue, net revenue of Beauharnois Light, Heat and Power Co. will not be sufficient to meet interest charges on the 5½ per cent first mortgage bonds. Consequently directors of the company propose to request the trustees to call a meeting of the bondholders of Beauharnois Power Corp. and Beauharnois Light Heat and Power Co. for the purpose of appointing protective committees.

Characterizing the action of the Ontario legislature in their cancelling the contract made by Ontario Hydro and Beauharnois, as nothing short of confiscation, John S. Norris, president of Beauharnois Power Corp., fully outlined in the annual statement the position which the company now finds itself in.

### Sets Out Position

After pointing out that the Ontario Hydro-Beauharnois contract was arbitrarily cancelled on the ground of alleged illegality, Mr. Norris went on to say:

"Our contract (of 40 years' duration) was formally entered into in Nov., 1929, and provided for the delivery of power and energy at the Ontario border, commencing Oct. 1, 1932, and increasing progressively to Oct. 1, 1936, when the full amount of the contract (250,000 h.p.) was to be taken and paid for during the balance of the term of the contract.

"Our contract required us to install special 25-cycle equipment for the exclusive purpose of this service, which equipment was designed, manufactured, inspected and installed under the supervision of the Hydro-Electric Power Commission of Ontario as provided in the contract. This equipment cannot be used, without costly modification, for any other purpose.

"To fulfill this contract alone, the company has already expended in good faith upwards of $40 millions of its bondholders' money.

### Tried to Compromise

"Before the proclamation of the Act, your directors, needless to say, did all in their power to effect a compromise, and, after proclamation, offered, without prejudice, to supply the Commission's requirements on a modified basis but all, apparently, to no avail, as the chairman of the Commission has since notified us in writing that the Commission does not at this time intend to buy any power from Beauharnois Light, Heat and Power Co.

"Your directors regard the action of the Ontario legislature as nothing short of confiscation and propose to petition the federal government for the disallowance of the act.

"In the light of these unexpected developments and in order to conserve the capital of the company your directors have halted all construction work at the plant, as well as work on the two additional units in course of manufacture.

"Your directors desire to record the fact that (excepting for this act of repudiation) the 1933 scheme of reorganization was being fully realized."

### Petition to Ottawa

Beauharnois Power Corp. has made an application to the Dominion Minister of Justice for disallowance of the Ontario legislation which cancelled the contracts made between the Ontario Hydro-Electric Power Commission and the company.

This move on the part of Beauharnois has been accorded a mixed reception. Federal disallowance of provincial legislation may be executed by Order-in-Council and without any private or public hearing of the interests involved. During the year the Department of Justice reviews the laws enacted by the various provincial legislatures, but actual disallowance of a provincial statute is rare.

### Action is Unlikely

In the present instance it is considered doubtful if the Dominion government will take any action in the matter. Once before it was suggested that the government might disallow the legislation, but at that time it was intimated that the Dominion had no intention of interfering with provincial rights.

When informed of the action taken by Beauharnois, Premier M. F. Hepburn, of Ontario, reiterated the statement made some time ago that if the Dominion disallowed the provincial legislation, he would dissolve the legislature immediately and appeal to the people. At the same time, he stated that he was "satisfied" that Prime Minister King would pay no attention to the application made by Beauharnois Power.

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# COSMOS IMPERIAL PROPOSES CALL OLD PREFERRED

### New Rights and Common to Provide Part of Funds

Cosmos Imperial Mills, Ltd. directors have decided to redeem $1.3 millions of 7 per cent sinking fund cumulative preference stock of $100 par value.

Shareholders will therefore be asked at the annual financial meeting on February 14 in Hamilton to approve measures being taken to provide part of the funds necessary for this redemption. If approval is granted it will mean the creation of 5,000 shares of 5 per cent cumulative redeemable sinking fund first preference shares and 30,000 new common shares of no par value.

### "Rights" For Shareholders

Present Canadian shareholders will be given the opportunity to buy the new shares. They will be notified by the purchaser of the new shares of the exact arrangement after shareholders approve the plan on February 14. If the plan is accepted and carried through, as expected, the company's capitalization will change as shown in the following table:

| Present Capitalization | $ |
|---|---|
| 7% cum. pref. | 1,253,600 |
| 70,000 n.p. com. shares | 1,204,883 |
| | 2,458,483 |
| **New Capitalization** | |
| 5% cum. s.f. pfd. | 500,000 |
| 100,000 n.p. com. shares | 1,624,883 |
| | 2,124,883 |

Note—30,000 additional common shares are shown at $14 a share, same as amount for 20,000 shares issued early in 1935. They may be sold for more as market is now about 22 as compared with 14 at the lowest in 1935. They probably will be sold for more.

### Third Forward Step

This is the third and final stage of the company's programme for improving the position of the company and of the common stock. In 1934 the company paid $5.25 a share arrears in dividends on the present preferred stock. In 1935 it redeemed $712,500 of 6½ per cent first preferred stock. Now it will get rid of nearly $1.3 millions of 7 per cent preferred stock.

### May Earn $3.50 in 1937

As things stand the company will have to pay only $25,000 yearly in dividends on the new preference shares and an unknown amount for sinking fund. With all this financing finally cleared away the old requirements for sinking funds for bonds and for preference stock as well as for interest and for excess dividends are no longer there. It will be equivalent to an extra $2.64 a share in all probability even after deducting interest lost on amounts previously invested. Not counting income from investment that would equal on the 1935 scale of income $3.50 a share on common.

The company earned $1.47 a share on 70,000 shares common as compared with $1.93 on 50,000 shares in 1934. After preferred arrears in 1934, profits were only equal to 27 cents a share.

It is apparent the company will need about $1.4 millions to retire present preferred. It will get less than $500,000 for its new 5 per cent preferred and will get from $420,000 to $600,000 from sale of common. That will leave less than $500,000 to come from cash and current earnings.

For details of 1935 financial statement see page 16.

# FRONTENAC OIL PROFITS HOLD UP IN CURRENT YEAR

### Directors Giving Consideration to Lowering Fixed Charges

From Our Own Correspondent

MONTREAL.—At the present rate of earnings, McColl-Frontenac Oil Co.'s financial statement for the year ended March 31 next, is expected to show earnings of around $1.20 a share on the common stock, according to an official statement. For the preceding fiscal year earnings were equal to $1.15 a share.

Developments in connection with the company during the year have included extension of the sales programme and the opening up of new market outlets, acquisition of crude oil concessions in Trinidad and commencement of operations in that area.

In order to finance the latter development, the company issued an additional amount of 2,500 shares of preferred stock at the market and 110,000 shares of common stock in the form of rights to the shareholders at $12 a share.

For the year to date, it is stated that there has been a satisfactory increase in the volume of sales turnover on oil products in all operating divisions. This increase has produced higher gross revenues which are reflected, in part, in increased net earnings available for dividends on the capital stock.

### Discuss Bonded Debt

No definite plan of bond refinancing has yet been developed for McColl-Frontenac Oil Co., according to an official statement.

For some time the directors have been considering the possibilities of so dealing with the funded debt position that the company will have the benefit of a reduction in annual carrying charges.

While a refunding operation would probably result in a reduction of interest charges, some of the directors apparently would prefer a plan which would bring about a retirement of the bonds and their replacement by an additional issue of common shares.

## Burns Profits Gain $300,000 Over 1934

Earnings of Burns & Co. for 1935 will be approximately $300,000 higher than in 1934, according to a preliminary estimate. Net earnings before depreciation and bond interest amounted to $561,669 in 1934.

Improvement in earnings has been sufficient to cover interest on the five per cent income bonds as well as mandatory interest. In addition, after providing for $1 preferential dividend on the Class A stock, approximately $1 a share has been earned on the Class A and Class B shares combined.

An improvement in earnings in 1935 sufficient to make it possible for the company to pay the full five per cent on the income bonds in 1936 was somewhat unexpected. While it was known that operations were showing higher profits than in the previous year, the expectation was that the interest on the income bonds would only be partially covered.

After providing for payment of the mandatory interest and the full five per cent interest on the income bonds, net liquid assets of the company at Dec. 31 last will amount to between $2,750,000 and $2,800,000.

# Ontario Hydro Saves $60,000 on Insurance

## More Business Carried by Canadian Companies

An annual saving of more than $60,000 in insurance premiums is claimed by the Ontario Hydro-Electric Power Commission. This amount has been arrived at chiefly through lower rates and through self-insuring casualty risks of the Hamilton Street Railway.

The exact annual premium total is not now available, but under the former administration it was estimated at $261,635, of which $100,492 was for fire, $31,335 for motor vehicle, and $129,008 for public liability, fidelity bonds and miscellaneous coverages.

In the case of fire insurance, although the actual premiums paid are now $6,256 less than under the former system whereby the insurance was handled by Municipal Underwriters, the amount covered is said to be higher. The answer lies in an agreement with the Canadian Underwriters' Association by which rate revisions have been made.

### Fire Rates Lower

It is pointed out by officials of the Commission that formerly the insurance on the Abitibi Canyon plant included an 80 per cent co-insurance clause. To comply with this it has been necessary to hoist the insurance 24 per cent. A similar situation existed at the Ontario Power Co. plant at Niagara Falls, where the insurance had to be increased 146 per cent.

However, under the new rating schedule, the average rate on the Abitibi plant was cut from 11.53 cents to 7.12 cents. Consequently, while the insurance coverage has increased by 24 per cent, the premium was cut by 23.36 per cent. At the Niagara Falls plant the rate was reduced from nine cents to 6.8 cents.

Until the fall of 1934, all liability insurance was placed through one agent. In connection with this type of insurance placed on the Hamilton Street Railway, the agent was paid from six per cent to 3¾ per cent of gross receipts from the railway to handle claims. In three years the former agent was paid $124,359 to settle claims amounting to $27,689.

In five years the agent received $189,966 in respect to the Sandwich, Windsor and Amherstburg Railway on which claims totalled $60,356. Other similar instances are quoted by commission officials.

### Save $26,421 on Casualty

At present the Hamilton Railway casualty insurance is handled by the commission itself and casualty rates on other properties have been cut substantially. It is stated that by calling for new tenders, rates on public liability, motor vehicle fleet and fidelity bond insurance have all been cut by a half or more, entailing a saving of $26,421.

As an example of the rate reductions, one public liability policy used to cost 8.35 cents for each $100 of gross receipts. The premium is now based on a sliding scale with a maximum of 3.25 cents.

The amount of the savings and where they have been effected are shown in the following table:

**Savings**

| | |
|---|---|
| Fire—premium cut | $6,256 |
| Fire—cancelled | 1,814 |
| Miscellaneous—cancelled | 3,409 |
| Motor vehicles—new rate & higher limits | 6,662 |
| Public liability—new rate | 17,766 |
| Fidelity bond—new rate | 1,994 |
| Boiler—grouping policies | 16 |
| Hamilton Street Rly. | 22,281 |
| Total | $60,198 |

Prior to the establishment of the present commission, insurance was placed through the Municipal Underwriters, a private company formed to handle Hydro insurance exclusively. At the time the tie-up between this company and the commission was broken in the summer of 1934, insurance was placed as follows: With American companies, 47 per cent; with British companies 37 per cent; and with Canadian companies 16 per cent. The distribution at present is American companies, 12 per cent; British 30 per cent; and Canadian 58 per cent.

Changes have also been made in the agents through which the business is handled. Formerly there were 36 agents who carried the insurance, 32 of which were in Toronto. There are now 55, only 30 of whom are in the Queen City. Wherever Hydro property is situated the insurance business is handled by the local agent in that centre.

As a result of negotiations with the Canadian Underwriters' Association which led to a substantially lower rate, most of the commission's fire business is being handled by tariff companies. The percentage of the total fire business carried by board companies is said to be about 95. In October, 1934, it was estimated roughly at 75 per cent.

### Liability Insurance Non-Tariff

Most of the liability insurance, on the other hand, is being carried by non-tariff insurers. The commission has adopted the policy of calling for "sealed tenders." That is, an agreement was made with the Underwriters' Association whereby the tariff quotation was kept secret even from members of the association, so that no inkling of the rate quoted should leak out.

This policy was introduced to circumvent any possibility of using the tariff rate as a basis for rate cutting. Non-tariff companies submitted their bids individually, and were successful in obtaining the business.

Lloyd's carry the public liability insurance on the motor vehicle fleet only.

### Fire Self-Insurance

Some measure of self-insurance on fire risks has also been introduced. A fund of $50,000 was appropriated as a foundation, and as each risk is renewed, one third of the insurance is taken over by the commission itself, the fund being credited with one third of the premium. This fund is earmarked for losses which occur on the specific properties whose insurance is taken over by the commission. So far only two insignificant losses have been suffered.

# *Insurance Problems*

## Empire Life

As a shareholder of the Empire Life I am very much interested in the recent proposal whereby this company reinsures the business of the Mutual Relief Life of Kingston. Personally I am inclined to doubt the wisdom of this move as it means the Empire Life taking over a concern actually bigger than itself and doing this at a time when the company is only just emerging from a very difficult period.

The consideration that has weighed largely with the directors of Empire Life in recommending this plan is apparently the fact that by taking over the Mutual Relief Life they will be acquiring a very considerable amount ($16,000,000) of what is called in life insurance circles "good business," with a definite earning power which it is believed when added to that already on the Empire Life books ($12,000,000) will spread overhead considerably and provide a good margin of excess earnings for the combined volume.

This is obviously a worthy objective if it can be achieved at a reasonable cost. And "cost" in this case means chiefly the valuation that can be placed on the securities and assets which it is planned to acquire from the Mutual Relief Life.

Just what this cost will actually be, will depend on what is eventually realized from certain assets of the Kingston company not at the present time readily marketable. If "authorized" or "allowed" values are used, the cost to the Empire Life is said to be practically negligible. If the amount that could be actually realized on these assets at the present time is considered, then we understand the plan would still leave Empire Life with its capital stock outstanding still unimpaired.

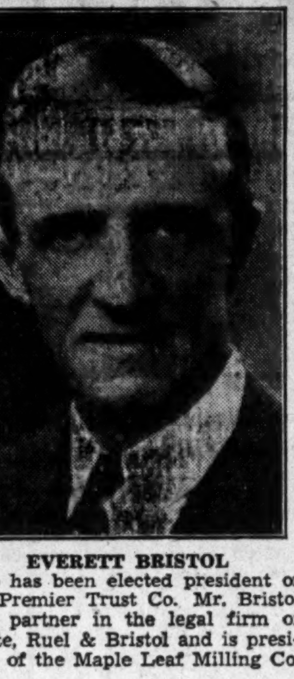
Actually something midway between these two alternatives is anticipated by those who are negotiating the deal, with Empire Life receiving something considerably more than present realizable values as assets become more liquid and marketable.

No figures have been published as yet to indicate the position of Empire Life at the end of 1935, but on the basis of preliminary figures issued at the time the reinsurance plan was announced, the company since it was recapitalized can now show a surplus to policyholders of $515,000 of which $312,000 is paid-up capital and the rest undistributed surplus.

Earnings during 1935 are reported to have been favorable while further appreciation in assets has taken place during the last quarter of the year.

One point to remember is that the cost of acquiring new business (particularly for a small company such as the Empire Life) is always considerable. If the approximate cost of the Mutual Relief business is lower than the price the Empire Life is now paying for new business then the latter company stands to gain by reason of the fact that it should eventually reduce its overhead and acquisition costs once the business has been assimilated and assuming, of course that the business acquired proves a good type of insurance which can be expected to "stick" well, show favorable mortality and earn a profit on its own account.

### Premier Trust President



**EVERETT BRISTOL**

Who has been elected president of the Premier Trust Co. Mr. Bristol is a partner in the legal firm of White, Ruel & Bristol and is president of the Maple Leaf Milling Co.

# Insurance Men Urged To Guard Stewardship

## Custodians of People's Savings Must Preach Gospel of Sound Finance, Says V. R. Smith

Life insurance men, as custodians of the savings of the thrifty, owe it to their policyholders to focus attention on the need for sound financial practices on the part of governments, in the opinion of Victor R. Smith, general manager of Confederation Life Association, speaking at the company's annual meeting recently.

"Despite increasing evidence of business revival," said Mr. Smith, "we could do with more evidence on the part of some of our legislators that they appreciate where some of the economic financial proposals, seriously put forward, are leading.

### Place of Insurance Men

"Life insurance men are the employees of the thrifty, hired for the sole purpose of taking care of the hard-won savings of many people who sacrifice today that neither they, in their old age, nor their dependents in event of their untimely deaths, become recipients of the charity of the State.

### An Insurance Duty

"Accordingly, we life insurance men, as custodians of the savings of the thrifty, owe it as a duty to them to focus attention upon the acknowledged fact that the way to prosperity and a higher standard of living does not lie in unbalanced budgets and ever-increasing taxation. Nor can that confidence, so necessary to an active and successful business live in an atmosphere of governmental hostility to private enterprise or flourish in the shadow of broken faith in contractual public obligations.

"Repudiation is the glittering road that leads to destruction and I, for one, have faith that every Canadian, virile and independent as he is, desires to pay his debts and that he will willingly bear the necessary taxation provided it is accompanied by strict retrenchment in public and social services and the iron determination to cease borrowing to cover deficits."

# Life Insurance Reports

## Maritime Life

Annual report of Maritime Life Assurance Co. shows new business issued slightly lower than the previous year and the business in force increased by $542,430 to $13.2 millions, the largest in the history of the company. The 1935 premium income was five per cent higher than 1934 while the interest earned increased 13 per cent.

Total assets of the company, including bonds, debentures and stocks at book value, totalled $1.9 millions, a gain of 12 per cent. The gross surplus for the protection of policyholders is given at $401,368. From this amount is deducted $134,935 being a reserve to reduce investment values to lowest basis of book, market or par values. This makes net surplus to policyholders $266,433, including $250,000 paid up capital stock.

**Maritime Life**

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| New business issued | 2,190,473 | 2,219,320 |
| Business in force | 13,208,039 | 12,665,609 |
| Premium income | 296,785 | 280,786 |
| Interest income | 82,360 | 72,870 |
| Policy reserves | 1,447,980 | 1,283,358 |
| Total assets | 1,877,067 | 1,675,117 |
| Free surplus | 16,432 | 1,329 |

## Monarch Life

An increase in assets of nearly half a million dollars was reported at the annual meeting of Monarch Life Assurance Co. on Jan. 29. This brings total assets of the company to almost $12 millions. The free surplus increased to $462,421 against $451,979 the previous year.

Total surplus funds and special reserves available for contingencies, exclusive of regular policy reserves, are reported by the company to now amount to $1,427,674, which is $147,000 higher than at the end of 1934.

For the second consecutive year the business in force has increased and now stands at $54.5 millions. New business issued in 1935 is not shown in the company's statement, but a gain is reported in the premium income. Lapses and terminations decreased for the fourth successive year, and operating and expense costs also showed a substantial reduction. The company experienced a favorable mortality experience in 1935.

Comparative figures follow:

**Monarch Life**

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Premium income | 1,641,281 | 1,622,944 |
| Bus. in force | 54,490,686 | 54,243,677 |
| Assets | 11,977,194 | 11,501,013 |
| Total income | 2,473,324 | 2,516,115 |
| Policy reserves | 9,788,498 | 9,405,444 |
| Free surplus | 462,421 | 451,979 |

## Crown Life

A gain of 11 per cent in total assets and six per cent in the business in force is shown in the annual report of the Crown Life Insurance for 1935. New business issued was slightly in advance of that issued in 1934.

This is the fourth consecutive year the company has shown an increase in business issued while business in force is at a new high point.

The company reports gross surplus from the year's operations of $828,000 of which $232,000 was applied to writing down assets and strengthening reserves, $262,000 toward dividends paid and accrued to policyholders and shareholders, and the balance of $334,070 was added to free surplus which now stands at $1,094,000.

Of total assets, mortgage loans represent 37 per cent. Overdue interest on mortgages has been reduced for the past two years and is now reported as less than one-twenty-fifth of one per cent of the principal. Government and municipal bonds held at the close of the year represented 31 per cent of the assets, public utility and industrial bonds six per cent and preferred and common stock two per cent. Policy loans represent about 14 per cent of the assets.

The company reports average interest earned on invested assets of 5.54 per cent, compared with 5.79 per cent in 1934.

**Crown Life Insurance Co.**

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| New business issued | 29,590,884 | 29,305,916 |
| Business in force | 156,989,682 | 147,861,463 |
| **Income and Disbursements** | | |
| Total income | 6,601,180 | 5,963,075 |
| Policy payments: | | |
| Death and disability claims | 729,678 | 712,860 |
| Policyholders | 1,634,813 | 1,734,319 |
| **Assets and Liabilities** | | |
| Total assets | 23,669,128 | 21,084,899 |
| Mortgages | 8,778,630 | 8,324,954 |
| Govt and mun. bonds | 7,382,929 | 5,524,694 |
| Policy loans | 3,340,003 | 3,322,896 |
| Policy reserves | 20,856,361 | 18,720,712 |
| Free surplus | 1,094,334 | 760,264 |

## Great West Life

An increase of $5.3 millions in the assets and of $113,322 in free surplus are shown by the annual report of Great West Life Assurance Co. at its 44th annual meeting, February 4.

Bonds and debentures held by the company increased during the year by $7.5 millions and now constitute 43.8 per cent of the total assets. They now amount to nearly $60 millions. One half of this total consists of securities issued or guaranteed by governments. The amounts of city mortgages, farm mortgages and policy loans are all less than in 1934, being now 19.7 per cent, 16.1 per cent and 18.9 per cent respectively of the total assets.

Premium income, interest and rents and total income were all lower than in 1934, but lower policy payments, improved mortality and reduced operating and expense costs permitted an excess of receipts over expenditures of $6.5 millions, an increase of more than $2 millions over 1934.

Figures for new business issued and business in force were reported in a preliminary statement in The Financial Post of Jan. 25. Total business in force at the end of the year was $570.8 millions (inclusive of annuity business); new business issued (including annuities) was $50.1 millions. Comparable figures for 1934 are not yet available since previous figures were quoted exclusive of annuities.

**Great West Life**

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Premium income | 17,234,822 | 18,017,474 |
| Int. and rents | 6,122,918 | 6,309,728 |
| Total income | 26,531,469 | 27,042,910 |
| Policy payments | 16,195,083 | 18,633,937 |
| **Assets and Liabilities** | | |
| Bonds and debs. | 59,119,777 | 51,661,997 |
| City mtges. | 23,765,472 | 24,964,531 |
| Farm mtges. | 16,708,612 | 17,473,195 |
| Policy loans | 25,484,064 | 26,378,262 |
| Total assets | 143,695,897 | 138,245,129 |
| Policy reserves | 116,073,447 | 111,097,191 |
| Contingent res. | 3,000,000 | 3,000,000 |
| Free surplus | 2,352,525 | 2,239,203 |

# Ottawa Sets Peak Record For Annuities

## Volume of Business Almost Double Previous Year

### OVER $13 MILLIONS

Sale of federal government annuities reached a new all-time high in the fiscal year ending March 31, 1935. In that year, 3,930 contracts for a total purchase price of $13,376,400 were received by the department.

This is an increase of almost 100 per cent over the record figure of $7 millions received in 1934, and is three to four times the average amount received in any one of the previous six years. It brings the total number of contracts in force as at March 31, 1935, to 22,736, with a total purchase price in that period of $56,662,000.

Of the total contracts placed during the year, 1,954 were for immediate annuities, and 1,976 were deferred. The average amount of annuity under the immediate contracts was $406. Of the total number of contracts in force at the end of March last year, 8,838 were immediate, and 11,392 were deferred. Total amount of annuities under vested contracts in force was $3,675 millions, for an average of $416 per contract.

Without access to the auditor-general's report for the Government's fiscal year, no estimate is possible of the actual cost to taxpayers of operating this annuity branch last year. The main item of expense is the amount transferred each year from consolidated revenue fund to maintain the Government annuity reserve. This figure for 1935 is $146,000 compared with $184,000 the previous year.

In addition, there must be added the expense of the department which is paid by the Government and not shown in the annual report of the Department of Labor. The expense has varied from $57,000 to $105,000 in recent years, and will probably be well over the $100,000 mark for 1935 in view of the exceptionally heavy volume of business placed during the year.

The figure includes payment for commissions, salaries, and expenses of running the department.

# PREMIUMS HIGHER LOSSES ARE DOWN FOR GORE MUTUAL

## Ivey Appointed Manager For Manitoba Where Branch Established

Substantial improvement in underwriting experience and in financial position is shown in the 97th report of the Gore District Mutual Fire Insurance Co.

Premiums written in 1935 were $20,000 above those of the previous year, while losses dropped more than $18,000. Changes in the balance sheet include increases of $124,000 in surplus and of slightly under $200,000 in total assets. Bonds and debentures of $1,787,104 include $214,533 which are in default. For the 46th year a dividend of 25 per cent was distributed to policyholders.

Business in force at the year end, at $75.3 millions, was up almost $6 millions over the 1934 total.

A Manitoba branch was recently opened by the company in the Toronto General Trusts Building, Winnipeg, from which a direct mail campaign is being conducted. A drive for Saskatchewan business is planned in the near future.

A. R. Ivey, who resigned two or three years ago as organizer and secretary of the Retail Merchants' Association in Manitoba, and who was active in placing of insurance with members of the association, has been appointed manager for Manitoba.

Comparative figures of the company's business are as follows:

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Gross prems. written | 420,774 | 400,130 |
| Losses incurred | 119,014 | 137,289 |
| Amount at risk | 75,314,055 | 69,599,523 |
| Total assets | 2,255,321 | 2,056,872 |
| Surplus | 1,899,518 | 1,775,678 |

Subscribers to The Financial Post are entitled to information regarding their Canadian investments. If not already a subscriber, address your enquiry to the Investment Department when sending in your subscription.

Savings That Are Safe

Life Assurance is really savings. Savings for the children's education, for the trip abroad, for years of retirement, for loved ones if you should be taken away. Savings which are guaranteed, to be returned to you on the date you specify, just at the time you need them.

And Life Assurance meets every claim promptly and pays one hundred cents on the dollar.

For more than 64 years the Sun Life Assurance Company of Canada has been providing present protection and future security for thrifty Canadians by means of an increasing variety of practical plans. Today this service is available in 40 countries on 5 continents and in 40 states of the U.S.A.

*There's a Sun Life plan exactly suited to your own particular requirements and the Sun Life representative in your community is at your service.*

SUN LIFE ASSURANCE COMPANY OF CANADA

HEAD OFFICE—MONTREAL

PROTECTION

The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost. This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.

Total Benefits paid $125,000,000

Independent Order of Foresters

FRANK E. HAND, Supreme Chief Ranger

HEAD OFFICE: TORONTO, CAN.

FORGING AHEAD!

THE 30th ANNUAL REPORT OF THE MONARCH LIFE ASSURANCE COMPANY

A Progressive Canadian Company

ESTABLISHED • 1906

*Features:*

Increased Business in Force
Increased Premium Income
Increased Assets
Increased Policy Reserves
Increased Special Reserves

SPECIAL RESERVES AND SURPLUS FUNDS for the security of policyholders show an increase of $147,000.00 over the Company's previous record high and now stand at

$1,427,674.25

The position of holders of participating policies was further improved by the allocation of a substantially increased amount for policyholders' profits.

*Copy of Annual Report Mailed on Request*

E. J. TARR, K.C., President
G. C. CUMMING, General Manager

NORTHWESTERN MUTUAL FIRE ASSOCIATION

SEATTLE WASHINGTON

BRANCH OFFICES
TORONTO
HAMILTON
OTTAWA
VANCOUVER
VICTORIA
EDMONTON
CALGARY
SASKATOON
WINNIPEG
MONTREAL
QUEBEC CITY
ST. JOHN
HALIFAX

WRITING FIRE AND AUTOMOBILE INSURANCE AT COST, ASSETS $5,183,603.19

ALL POLICIES NON-ASSESSABLE PAYING DIVIDENDS RANGING FROM 20%. TO 30% ON RENEWALS

*"Canada's Largest Fire Mutual"*

The WAWANESA MUTUAL INSURANCE CO.

Ranks 3rd against all companies on total volume of fire business written in Canada

FIRE WINDSTORM SPRINKLER LEAKAGE AUTOMOBILE
LIABILITY DOCTORS' AND DENTISTS' LIABILITY PLATE GLASS

Head Office—WAWANESA, Man.
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FOUNDED 1880

is the need of examining the financial strength and the reputation of the Company in which they place their business.

THE EMPLOYERS' Liability Assurance Corporation Limited of London, England

MONTREAL TORONTO
WINNIPEG CALGARY VANCOUVER

FIRE • AUTOMOBILE • CASUALTY

United States Fidelity & Guaranty Company TORONTO

STABILITY

"The Crown Life has completed another excellent year. Its progress during 1935 and the immediately preceding years inspires the utmost confidence in its vigour and stability."—*Sir Robert Borden at the Annual Meeting.*

1935—Key Figures of Annual Report—1935

*Insurance-in-Force Increased to* $156,989,682
*Assets Increased to* $23,669,128
*Free Surplus Increased to* $1,094,334
*Insurance Issued Increased to* $29,590,884
*Cash Receipts Increased to* $6,601,180
*Cash Payments Increased to* $3,947,423

| Assets | % |
|---|---|
| First Mortgages on Real Estate | 37 |
| Government and Municipal Bonds | 31 |
| Public Utility and Industrial Bonds | 6 |
| Preferred and Common Stocks | 2 |
| Loans on Company's Policies | 14 |
| Home Office and other Real Estate | 3 |
| Cash and Other Assets | 7 |
| | 100 |
| Average Interest Received | 5.54% |

CROWN LIFE INSURANCE COMPANY

Established 1900 — Home Office Toronto

Rt. Hon. Sir Robert L. Borden, *President*
H. R. Stephenson, *General Manager*

*Head Office* — TORONTO, CANADA

The Ontario Equitable Reports Excellent Year

Balance Sheet, December 31, 1935

ASSETS

| | | |
|---|---|---|
| Real Estate: | | |
| Office Premises | $107,500.00 | |
| Other (Held for Sale) | 284,347.29 | |
| | | $391,847.29 |
| Mortgages on Real Estate | | 3,805,025.28 |
| Agreements for Sale | | 36,912.47 |
| Loans on Collateral | | 16,769.69 |
| Loans on Policies | | 1,745,621.29 |
| Bonds and Debentures | | 3,086,525.00 |
| Stocks at Market Value | | 45,178.00 |
| Cash on Hand and in Banks | | 39,126.22 |
| Outstanding Premiums Due and Deferred (Net) | | 241,640.79 |
| Interest Due and Accrued | | 317,939.99 |
| All Other Assets | | 155.00 |
| TOTAL ASSETS | | $9,726,741.02 |

LIABILITIES

| | |
|---|---|
| Policy Reserves According to Statutory Requirements | $8,598,140.00 |
| Provision for Unpaid and Unreported Claims | 41,500.00 |
| Policy Proceeds Left with the Company | 89,605.00 |
| Premiums Paid in Advance | 33,047.37 |
| Agents' Credit Balances | 21,889.37 |
| Taxes and Expenses, Due and Accrued | 25,000.00 |
| Investment Reserve | 180,000.00 |
| Other Liabilities | 4,452.94 |
| Capital Paid In | 655,586.25 |
| Surplus | 77,520.09 |
| TOTAL LIABILITIES | $9,726,741.02 |

M. J. SMITH, *General Manager* — J. L. RALSTON, *President*

Assets increased by $598,874 . . . Income increased to $1,708,136 . . . Policy Reserves increased by $526,145 . . . Insurance in Force gained to $40,965,744 . . . Payments made to Policyholders and Beneficiaries $622,942 . . . The Company enjoyed an excellent year and strengthened its Assets and position at every point.

PROTECTION

THE ONTARIO EQUITABLE LIFE AND ACCIDENT INSURANCE COMPANY

HEAD OFFICE -- WATERLOO, ONTARIO

# In The Construction World

### *Federal Works "A Joke"?*

AMONG the more candid comments heard at the recent Hamilton convention of the Canadian Construction Association was that of John Parkin, trade contractors' representative on the association's directorate.

"Federal building of wharves, post offices and armories has come to be a bit of a joke," declared Mr. Parkin. And although some members of the association have derived substantial revenue from federal works projects, delegates in the main appeared to side with Mr. Parkin.

Everybody knew what he meant. Federal works of the type mentioned by Mr. Parkin break out like a rash all over the country, when a Dominion election is pending. In communities fortunate enough to get a new wharf, post office or armory there is, theoretically at least, a feeling of gratitude that can be expressed most clearly in the form of votes.

The government pays, and while the work benefits local men and industries involved in the construction, the community itself shares the cost with the rest of the country. Those communities which do not get a new municipal adornment of some kind can always live in hope until the next election.

* * *

### *A Drain on the Treasury*

FEDERAL works nevertheless had their defenders among delegates to Hamilton, who properly pointed to the creation of employment, and the advantages to local producers and manufacturers of construction materials. They also cited the need of new federal buildings to replace obsolete, and high-maintenance types of buildings, with modern, low-upkeep-cost structures.

Yet, federal works are rarely self-supporting in the sense that industrial and business structures earn a revenue, and they are consequently a continual drain on the treasury—and taxpayers—in expense of upkeep and staff. For each dollar spent on their erection, more money must go to keep them heated, in repair, and for equipment. These disadvantages can outweigh the temporary benefits of producing work and wages for labor, and the temporary political advantage to a government.

Astute observers have long known the "bit of a joke" in connection with federal works, and the Hamilton convention seemed to recognize it when it adopted a resolution that the C. C. A. should not seek extension of the public works programme, nor the undertaking of further public works "except in the degree in which the government would normally undertake such work." The word "normally" was significant and draws attention to another phase of the situation which if widely known, is not widely mentioned.

* * *

### *Construction Stocks*

SOME time before the last Dominion election, wide awake brokers with a knowledge of political habits, began to study the position of companies connected with the construction industry. Surveys showed these to be among the most severely hit by depression conditions. Earnings were nil or so small that dividends had to be passed, and future earnings prospects were dependent upon a revival of construction activity on a large scale.

Consequently the stocks of these companies could be bought at low levels with some expectation for appreciation over the long term. More than one broker quietly drew attention to the fact and his clients were able to pick up construction and building companies' shares at prices around the record lows for all time.

But there was another reason. It was the possibility for short term profits, because construction stocks usually advance on news of large public works construction awards, preceding an election. The theory is that while government works may stimulate construction, they will even more certainly attract speculative interest to construction securities.

In that case there are profits to be made on any advance in prices, regardless of whether the company's "long term" outlook has improved or not.

# Prices of Building Materials Show Steady Rise Since 1930

## Canadian Index Runs Counter to Decline of Construction Activity During Depression Period

By THOMAS C. THOMPSON

Wholesale prices of building and construction materials in Canada are higher than at any time in the last five years, according to the statistical index of the Dominion Bureau of Statistics.

The fact may have a direct bearing on the outlook for construction operations in the Dominion this year.

With a 1926 average of 100 the Dominion Bureau reveals that the index for 111 commodities classified as building material, stood at 83.2 in December, 1935, compared with 82.4 in the previous month. In Decembers of 1934, 1933 and 1931 the index was 81.4, 80.6 and 79.3 respectively. The index in December, 1930, stood at 85, following a sharp decline from the December, 1929, level of 97.9 .

The trend reflects conditions in building subsequent to 1929, but in relation to other commodities, and particularly in comparison with the tremendous drop in the actual volume of construction in Canada, prices of building materials show surprisingly small fluctuation during the depression period.

**Index 14.7 Under 1929**

The Dominion index shows that building materials have dropped only 14.7 from the December, 1929, level, yet the index number for all commodity prices, standing at 72.6 last month, represents a drop of 23.4 from the 1929 level of 96.

The item "all commodities" represents 567 articles, and that of building materials an equally representative list.

Although little open discussion has taken place regarding building material costs in suggestions, plans, conferences and resolutions of building and allied interests, potential home builders are asking themselves whether construction materials are still too high in price, in the light of the Dominion Bureau's index record.

If they are, the natural effect will be to still further retard building operations.

If not, why have they risen during a depression period since 1931, and are still only 14.7 under the 1929 level while other commodities have dropped 23.4 ?

**Lower Demand—Higher Price**

The construction industry and producers of construction materials experienced some of the major effects of the depression, and demand for their products slumped even more drastically than demand for many other goods. Unless the laws of supply and demand were reversed, lack of demand could not have caused a rising price trend, however slight. On the contrary it should have produced a decline in prices of construction materials.

Equally clear is the fact that producers of construction materials could not have maintained prices at artificially high levels.

The earnings reports of leading Canadian companies engaged in the manufacture of building materials still make unpleasant reading for shareholders, even with the improvement noted in 1935. In that year, the rise of the building price index was so small, however, that it was not of major significance.

Building construction companies meanwhile, have made every effort to attract new business and in the years since 1930 they have spent money in developing new processes, research, export trade, and on other means of attracting buyers, if only to keep plants operating. Their record absolves them of any suspicion of attempts to exploit the building industry, which would have been impossible in any event.

**Volume Production Expected**

Yet the slow climb of the building price index has continued, contrary to the logical effect of all these conditions. And predictions are heard that costs will advance from current levels in the event of a sustained revival of building in 1936.

The answer appears to lie in the hope of volume production of building materials and supplies, since the industry in Canada is geared to production on a larger scale than has actually existed for some years.

To reduce quotations on building supplies, it is held, would stimulate business but also entail financial losses in an industry that has already suffered severely through lack of demand for its products over a period of five years.

Should volume production return, however, current prices of building materials might spell restored earning power and normal prosperity for producers.

**A Temporary Set-Back**

Like many other aspects of the Canadian building outlook, in which concessions are obviously necessary from the industry, financial institutions, municipalities, and labor, building costs may have to come down, with a temporary setback in earnings of producers of building materials.

If prices continue to advance, ahead of actual revival in construction, they will retard a building movement which normally would strengthen prices, but if concessions are made instead, the stimulus may be set in motion by which volume production can be achieved and earnings of material producers eventually restored to a satisfactory basis.

Building costs did not decline in relation to other materials during the depression but they declined as far as they could go when, in spite of price concessions and other inducements, the building industry found its market had disappeared.

The decline in construction volume from pre-1929 levels produced the unfavorable earnings statements familiar to building producers' shareholders since that year.

It now appears that new concessions from post-1929 levels of costs may have to be made as the industry's share of present efforts to start the construction ball rolling.

As volume of building grows, so will the incomes of companies producing building materials. But many potential home builders are apparently not yet convinced they are in a buyers' market. Or if they are, they are awaiting further improvement in their own purchasing power.

## Costs of Building Are Key to Outlook

"Construction costs are still the key question of the real estate outlook," says Walter W. Rose, president of the National Association of Real Estate Boards.

"They are still the greatest challenge to real estate advance. Meantime, every month's delay in construction, by increasing the demand for existing structures, strengthens the whole substantial groundwork for a long upward trend.

"We may soberly say to ourselves that never in our lifetime have we known so clear a barometer for the long term ahead."

Mr. Rose asserts that in the United States, city after city is reporting every habitable house occupied.

# INCOME EXEMPTION ON HOME TAXATION IS SEEN AS BENEFIT

## John A. Rowland Would Also Exempt Mortgage Interest

A suggestion for amended income tax laws which is likely to find support among the lending institutions, home owners, and the building trade, was advanced by John A. Rowland, K.C., at the recent annual meeting of shareholders of the Canada Permanent Mortgage Corp., of which Mr. Rowland is first vice-president and joint general manager.

"It is, I think, rather unfortunate that the Dominion act does not allow as an exemption the municipal tax and the mortgage interest which the home owner pays on his home," said Mr. Rowland, venturing the suggestion that a change might be made in the law to that effect.

"There is perhaps nothing we can encourage today with greater benefit to industry and employment than in extension of our building operations, and the granting of such an exemption would do not a little to encourage the building and purchase of homes."

**Accommodation Needed**

Mr. Rowland believes it is cheaper to rent than own a house under existing conditions, and like other observers he finds there is apparently a demand for housing accommodation.

He states that the proposed change in the income tax law would not only be in the interests of builders, but it would react to an improvement in business conditions generally, and a reduction in unemployment, if the inducements to purchase and own a home are increased.

# Home Renovation Loan Is Proposed for Regina

## Civic Officials Seek $400,000 Federal Funds—Conditions Critical

From Our Own Correspondent

REGINA.—Regina's city council has under consideration a housing rehabilitation scheme originated by Mayor A. C. Ellison who is seeking support of other civic public bodies and service clubs.

To finance the scheme it is hoped that $400,000 of federal money at 3 or 3½ per cent can be obtained. Loans would be in sums varying from $50 to $1,000 with an average loan at $350, repayable monthly at 4½ per cent to cover administration costs.

**Reloaning Powers**

Reloaning powers of the original $400,000 would depend on the rate of repayment. A conservative estimate places the number of Regina homes in need of immediate repair at 1,000 and the over-all cost of bringing them back to modern requirements would take $1,000 per home.

Many houses have not been in the hands of a repair crew for at least six years. Few have had a coat of paint in that time.

Quite a few houses several years ago would have been declared unfit for human habitation but stress of circumstances allows their occupancy for the reason that the occupants would have no other shelter if forced out.

Objections have been raised that by loaning money, the city would incur many bad debts, but proponents of the scheme hold that any city has a good credit record in its light and water departments.

**Approaching a Crisis**

As in other cities the housing situation is approaching a critical period in Regina.

Unless something is done about renovating hundreds of occupied homes many of the occupants will have to seek other shelter. Conditions at present are not the best because health officers are forced to accept lower standards for homes and health conditions are suffering in proportion. Just as soon as possible these health standards will be tightened.

**Building Society**

If it is necessary to increase the scope of the scheme a building society plan will be considered. The society would encourage the building up of a fund to provide for future alterations or additions, thereby adding to the original $400,000.

Reasons given to show the city could successfully handle such a scheme are:

1. Light and water tax accounts are the city's credit record.
2. Repayments can be collected with other accounts at a minimum expense.
3. The city is in a position to offer borrowers exemption from assessment on improvements over a stated period.

4 Fear of confiscatory taxation on real estate deters private investors from loaning.

# Skyscraper Principles To Come in New Houses

## Humidity Will Be Controlled, Noise and Fire Hazards Eliminated in Steel and Concrete Dwellings — New Type Commonplace Within Few Years

Radical changes in design, planning and equipment are forecast by builders in the field of new house construction.

They include principles already successfully established in erection of office buildings, hotels, universities, hospitals, public buildings, and other large structures. By their use, the modern dwelling becomes in miniature, a skyscraper, immune from weather, noise and fire.

J. M. Pigott, Hamilton builder, whose ultra-modern type of house construction was a focal point of interest at the recent meeting of the Canadian Construction Association in Hamilton, defines three principles already established in the office building field of building.

"They are principles that through the last generation withstood the shock of ignorance and human stubbornness," he says, and lists them as follows:

Establishment of the structural frame, wherein steel or reinforced concrete takes the place of masonry.

Establishment of fireproof construction—concrete gypsum, tile and other incombustible materials replacing the fire hazards of wood.

Establishment of controlled combustion, temperature control with its attendant problems of insulation and air conditioning.

**To Come in Housing**

"These principles will be established in housing," declares Mr. Pigott. "They will, in a few years, be the same commonplace in housing that they are in the larger and more monumental fields. Part of the trouble is that a section of the public, including many trained men, feel that the only justification for change in house construction is lower cost.

"That is not so. If the principles are sound, and if through their use there is greater inclusion of technical and mechanical aids, the home becomes more comfortable, safe and more economically operated."

The skeleton steel frame that climbs to the sky as a preliminary to the building of floors and walls is a familiar sight in the erection of modern office buildings. The walls have nothing to do with supporting the building.

But as recently as 1885, buildings reached their limit of wall bearing methods in Chicago, where a building 16 stories high had lower story walls about 15 ft. thick. Replacement of bulky masonry with small, strong steel sections and with enclosing walls of stone or other material is now a commonplace, but it has yet to become general in the field of housing.

**Fire Hazards Eliminated**

"Wood joists, flooring studding, laths, etc., are replaced by fireproof materials," says Mr. Pigott.

"At one time, it was looked upon as a fad, yet fireproof construction for the last 15 years in the higher types of buildings such as office buildings, schools, hospitals, etc., is not only a commonplace, but it is in most cases a matter of law."

This building factor is now embodied in the new type of house being erected on a steel frame with complete fireproof protection.

Remarkable progress is also being made in the combustion of fuels, elimination of waste, control of temperature, and latterly, air-conditioning. Even in this field, however, progress is still slow, but it is possible to select buildings erected as recently as 20 years ago, change their heating equipment, substitute modern equipment and pay for the improvement out of savings and fuel costs over three or four years, Mr. Pigott claims.

Underfeed stoking, accurate local thermostatic control and insulation and air conditioning combined with heating, are the reasons why heavy heating installations are passing into the discard. It is now possible to have the temperature and moisture desired and by insulation both may be maintained almost indefinitely.

**May Extend to Lower Prices**

"Some authorities hold that what the country needs is a magic wand by which $4,000 homes will be built for $1,500," says Mr. Pigott.

"That, of course, will never be possible. A new conception of housing embracing these basic principles must be made in the upper price brackets. There is a substantial demand for them, and once the advantages of modern housing are apparent in this field adaptations in cheaper forms will quickly develop.

"The spread of the use of new principles and new mechanical aids to living will mean that even the lowest forms of housing will soon feel their influence," Mr. Pigott forecasts.

# ENGINEERING WORK IS PROVIDING BULK OF BUILDING TOTAL

## January Volume Highest in Canada During Last Five Years

Engineering continues to provide the bulk of construction activity in Canada, according to January building contract awards compiled by MacLean Buildng Reports Ltd.

This class of construction accounted for $7.3 millions of the January total of $13.6 millions of all contracts, which in turn represented a gain of 33.2 per cent over January, 1935, awards of $10.2 millions, and a 103 per cent gain over January, 1934, when contracts totalled $6.7 millions.

Industrial building contracts of $3 millions were second in volume to engineering. Business building amounted to $1.9 millions, and residential work, at $1.2 millions, reflected the seasonal lag in this type of construction.

The total of all classes was the largest of any January period in the last five years. Ontario led all provinces in volume, with $5.7 millions of awards. Of this $2 millions represented the addition to the International Nickel smelter at Copper Cliff. The only other contract of more than $1 million was a $2 million power development and mill at Comeau Bay, Quebec.

## New English Hotel All Glass Structure

A hotel in Doncaster, England, demonstrates the possibilities of glass as a construction material.

The external walls and the interiors of the public rooms—even the floors and furniture—are of glass, in varied colors. The floors are of a non-slippery composition, patterned in small squares of different hues.

Scenes — particularly of horse racing—have been sand-blasted into the walls.

# Vancouver May Soon Be Site Of World's Highest Bridge

## British Capital Behind Gigantic Project — Government Approval Expected Shortly—Real Estate Activity

From Our Own Correspondent

VANCOUVER.—Approval by the Ottawa government of plans for the so-called Lion's Gate Bridge across the narrows at the entrance to Vancouver harbor, expected in the near future, will bring considerable comfort to a group of British capitalists. They have invested extensively in North Vancouver real estate development and are prepared to invest a good deal more.

While the Bennett government was in office there seemed small prospect of getting official endorsement of plans for the privately sponsored bridge.

Several objections were raised to it. One was that the length of the structure proposed by the builders was insufficient. Another, that the suggested cost of $6 millions, would not be enough to build a bridge of such importance. And still another, that construction of the bridge at the time was unwarranted by the rate of Vancouver's expansion and that it would merely divert development from sections of the city recently improved and organized.

**Ottawa Attitude Changed**

The change in government at Ottawa has, according to reports from the federal capital, brought about a change in the official attitude. The builders may modify their plans to meet minor objections to the original specifications, and the government may adopt a more sympathetic course toward negotiations that have been in progress several years.

Although the fact has not been officially disclosed, it is an open secret that one of the factors behind the new development has been the desire of certain large British industrial corporations to place their surplus funds in real estate investment in British Columbia, rather than have the money subject to onerous taxes in Great Britain.

Rather than have their funds lie idle at home, the Guinness brewing interests and similar big British concerns prefer to have the money work for them overseas, even though they do not expect a return on their investment for many years.

**Real Estate Development**

This attitude explains the long-range vision that has already resulted in the expenditure of several hundred thousand dollars on a modern subdivision at West Vancouver.

Two or three years ago this work first got under way. Several miles of paved roads, boulevards and piping have been laid. Hundreds of acres have been cleared in anticipation of the big real estate movement that seems inevitable following construction of the Lion's Gate Bridge.

British interests acquired 4,500 acres of land from the municipality of West Vancouver and this area is forming the nucleus of the new subdivision.

The development has proceeded without any official assurance that the necessary bridge would be built, but in the sure belief that the spanning of the First Narrows was bound to come eventually. It begins to appear that owners of the area will not have much longer to wait.

**Private Speculation**

It is not often that a community has such a far-reaching improvement programme carried out entirely by private interests. Obviously the owners expect to get their money back in time, but they are in no hurry and obviously are looking ahead twenty or more years for a return on their initial investment.

The proposed bridge is a private enterprise, as is the community developing on the North Shore.

No financial assistance or bond guarantee by any of the municipalities interested has been asked, and there will be no promotion offering of stock in British Columbia.

The project, however, involves a roadway through Stanley Park and the company has agreed to bear the cost of this roadway. Authority for this part of the scheme has already been obtained.

**Highest in World**

The bridge itself, which was to have a 1,500-foot length, according to specifications drawn up last year, and a clearance of 200 feet, making it the highest bridge in the world, will reach from Prospect Point, an eminence looking over the entrance to Vancouver harbor, to a point near West Vancouver.

The approach will be extended presumably to the high level ground back of the municipality of North Vancouver where extensive development has been carried out. None of the new subdivision is on the waterfront, but has been laid out along the rise of ground, mostly heavily timbered, that slopes back toward Hollyburn Ridge and Grouse Mountain, favored resorts for hikers, mountaineers, tourists and motorists.

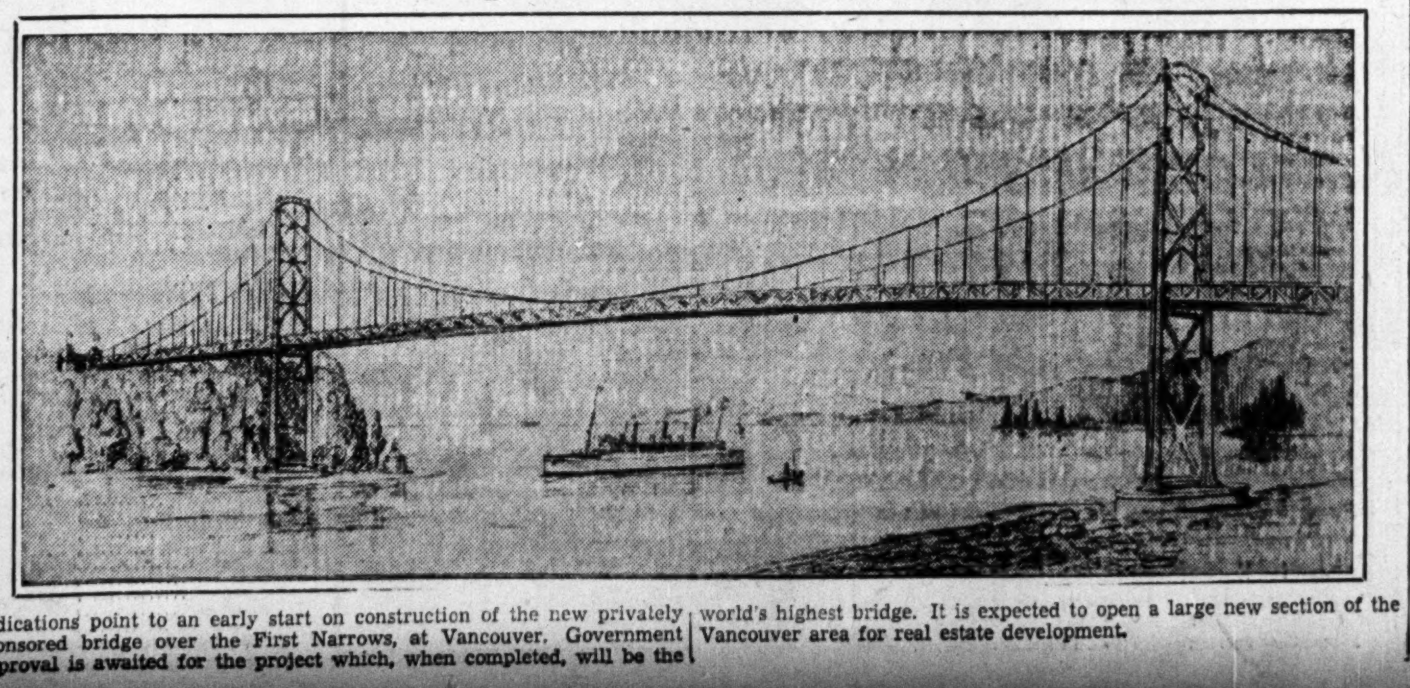
**Values Affected**

Building of the bridge may, of course, lead to an advance in property values all along the north shore of Burrard Inlet, and already there has been a lively exchange of lots at steadily rising prices in anticipation of an expected land boom.

Development of the north shore has been delayed in the past by lack of convenient communication. A ferry service has been operating for a long period, but this is not the ideal means of transportation for suburban residents with jobs in the city.

For several years a bridge has been in service at what is known as the Second Narrows, but this is located so far east of the First Narrows or Lion's Gate that it is hardly a competitive factor and does not solve the north shore's transportation problem as would the proposed bridge at Prospect Point.

## *A Private Enterprise Backed By English Capital*



Indications point to an early start on construction of the new privately sponsored bridge over the First Narrows, at Vancouver. Government approval is awaited for the project which, when completed, will be the world's highest bridge. It is expected to open a large new section of the Vancouver area for real estate development.

# New Lever Plant For Toronto Area To Cost a Million

Lever Brothers Ltd. will erect a new three-story manufacturing plant as an addition to the company's present factory on Eastern Ave., Toronto. Cost of the addition will be over $1 million, according to P. Parnell Tyler, president of the company. The project is one of the largest announced in Toronto for some time. Ewart, Armer and Byam, of Toronto, are consulting-engineers for the building.

Operations are scheduled to start in early spring, and within a year the new unit will be ready to accommodate expanded manufacturing facilities which are needed to handle a growing volume of business.

The company recently completed a three-story manufacturing building in Winnipeg, for use of its associated company, Royal Crown Soaps, Ltd.

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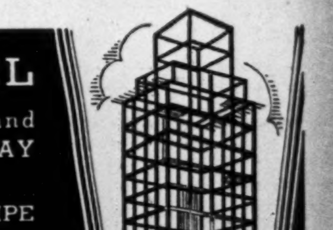

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# Quotations

## Montreal, Toronto Listed and Curb Prices

## Canadian Bond Markets

WEEK ENDING FEBRUARY 3

| Range 1935-36 High | Low | Divd. Rate $ | Y'ld in % Feb. 1 | | Sales | Close Jan. 27 or last | Week Ending Feb. 3 High | Low | Close |
|---|---|---|---|---|---|---|---|---|---|
| | | | | **A** | | | | | |
| 1.95 | 1.35 | . | ... | Abitibi | 6813 | 1.80 | 1.90 | 1.80 | 1.60 |
| 9¾ | 6⅜ | . | ... | Do. pref. 6% | 1445 | 8½ | 9 | 8 | 8 |
| 8½ | 6⅜ | . | ... | Do. cert. dep. | 103 | 8½ | 8½ | 8½ | 8½ |
| *5 | 5 | . | ... | Acadia Sugar | .... | 5 | .. | .. | .. |
| *7 | 3 | . | ... | Acme Glove | .... | 7 | .. | .. | .. |
| 47 | 47 | 3.25 | . | Do. pref. | 20 | .. | 47 | 47 | 47 |
| 10 | 9½ | 40c | ... | Agnew Surp. | 95 | 10 | 9½ | 9½ | 9½ |
| 102 | 100 | 7 | ... | Do. pref. | 10 | 100½ | 102 | 102 | 102 |
| 6 | 4 | . | ... | Alta. Pac. Gr. | 10 | 5½ | 5½ | 5½ | 5½ |
| 39 | 25 | . | ... | Do. pref. | 390 | 37 | 37½ | 35 | 37 |
| *25 | 25 | . | ... | Aluminum | .... | 25 | .. | .. | .. |
| *97 | 97 | . | ... | Do. pref. | .... | 97 | .. | .. | .. |
| 2½ | 2 | . | ... | Amal. Electric | .... | 2½ | .. | .. | .. |
| 18 | 14 | . | ... | Do. pref. | 95 | 14 | 18 | 15½ | 18 |
| 38 | 29¾ | . | ... | Amer. Cyn. B. | .... | 34 | .. | .. | .. |
| 52½ | 51½ | 3.50 | ... | Ang. Can. Tel. p | 50 | 51½ | 52½ | 52½ | 52½ |
| 23 | 17½ | . | ... | Asbestos v. t. | 1770 | 20 | 23 | 20¾ | 23 |
| 15 | 10 | 1 | 7.2 | Assoc. Brew. | 405 | 14 | 14 | 13 | 13 |
| 108 | 108 | 7 | 6.5 | Do. pref. | .... | 108 | .. | .. | .. |
| 2¾ | 2½ | . | ... | Assoc. Can. | .... | 2¾ | .. | .. | .. |
| 34 | 34 | . | ... | Assoc. T. & T. p | .... | 34 | .. | .. | .. |
| *105½ | 104½ | 7 | 6.6 | Atlan. Sugar, p. | .... | 105½ | .. | .. | .. |
| | | | | **B** | | | | | |
| 55 | 51½ | 2.25 | 4.1 | Bank of Canada | 459 | 52 | 55 | 52½ | 54 |
| 139½ | 133 | 8 | 5.7 | Bk. Can. Nat. | 66 | 137 | 139½ | 137 | 139½ |
| 212 | 196 | 8 | 3.8 | Bk. Montreal | 395 | 204 | 212 | 205 | 209 |
| 290 | 271 | 12 | 4.2 | Bk. N. Scotia | 104 | 285 | 290 | 285 | 290 |
| 229 | 225 | 10 | 4.3 | Bk. Toronto | 19 | 228 | 229 | 229 | 229 |
| 13½ | 13 | 50c | ... | Barcelona | .... | 13½ | .. | .. | .. |
| 16½ | 12¾ | . | ... | Bathurst Pr. | 5041 | 14½ | 16½ | 14¾ | 16½ |
| 4½ | 3½ | . | ... | Do. (B) | 370 | 4½ | 4 | 4 | 4 |
| 4 | 1¾ | . | ... | Bawlf Grain | 600 | 3½ | 3½ | 3½ | 3½ |
| 38 | 27 | . | ... | Do. pref. | 95 | 36½ | 38 | 36½ | 36½ |
| 3 | 2¾ | . | ... | Beath & Sons | 10 | 3 | 2¾ | 2¾ | 2¾ |
| 15 | 11½ | . | ... | Beatty Bros. A. | 80 | 14 | 15 | 15 | 15 |
| 101 | 96 | 6 | 5.9 | Do. pref. | 70 | 100 | 101 | 100 | 101 |
| 3¾ | 3 | . | ... | Beauharnois | 3097 | 3½ | 3½ | 3 | 3½ |
| *98½ | 85 | 4 | 4.3 | Belding Cort. | .... | 92 | .. | .. | .. |
| 130 | 130 | 7 | 5.4 | Do. pref. | 10 | 130 | 130 | 130 | 130 |
| 150 | 141½ | 6 | 4 | Bell Telephone | 725 | 148½ | 150 | 147 | 150 |
| 32 | 30 | 1.25 | ... | Biltmore Hats | 20 | 32 | 31 | 31 | 31 |
| 110 | 110 | 7 | 6.4 | Do. pref. | .... | 110 | .. | .. | .. |
| *4 | 3½ | . | ... | Bissell, T. E. | .... | 3½ | .. | .. | .. |
| 33 | 33 | . | ... | Do. pref. | .... | 33 | .. | .. | .. |
| 5 | 3½ | . | ... | Blue Ribbon | 225 | 3½ | 4½ | 4 | 4 |
| 29 | 27 | 2 | 7.2 | Do. pref. | 45 | 28½ | 29 | 27½ | 29 |
| 30½ | 30 | 2 | 6.6 | Brant. Cord. pf. | 15 | 30½ | 30½ | 30¾ | 30½ |
| 14½ | 9¾ | . | ... | Brazilian Tr. | 164974 | 12½ | 14¾ | 12½ | 14 |
| 1.40 | 1.20 | . | ... | Brew. & Distil. | 5180 | 1.30 | 1.30 | 1.20 | 1.20 |
| 3 | 2½ | . | ... | Brewing Corp. | 6175 | 2½ | 3 | 2½ | 3 |
| 16½ | 13½ | 1.50 | 10 | Do. pref. | 2093 | 15 | 16½ | 14 | 16½ |
| *15½ | 10 | 30c | 3 | Bright, T. G. | .... | 10 | .. | .. | .. |
| 82 | 80 | 6 | 7.3 | Do. pref. | 17 | 82 | 82 | 82 | 82 |
| 23¾ | 16½ | 80c | 3.4 | Brit. Amer. Oil | 52029 | 20¾ | 23¾ | 20¾ | 22¾ |
| 13 | 9½ | . | ... | B. C. Packers | 529 | 12 | 12 | 11 | 11 |
| 30½ | 28½ | 1.50 | 5.1 | B. C. Power A. | 912 | 30 | 30½ | 29½ | 29½ |
| 5 | 4 | . | ... | Do. (B) | 2125 | 4¾ | 4¾ | 4½ | 4½ |
| 16 | 13½ | 1.20+10 | 9.2 | Bruck S. Mills | 2472 | 14½ | 15 | 13½ | 14¾ |
| 37½ | 33 | 1+25 | 3.4 | Building Prod. | 500 | 37 | 37 | 35½ | 35½ |
| 43 | 37½ | 2 | 4.8 | Burt, F. N. | 980 | 38½ | 43 | 38½ | 43 |
| | | | | **C** | | | | | |
| *85 | 80 | 6 | 7.4 | Calgary Pr. | .... | 81½ | .. | .. | .. |
| 6 | 5½ | . | ... | Canada Bread | 630 | 5¾ | 5½ | 5½ | 5½ |
| 95 | 90 | 1 | ... | Do. pref. A. | 50 | 93½ | 95 | 93½ | 94 |
| 44 | 39 | . | ... | Do. pref. B. | 5 | 42 | 40 | 40 | 40 |
| 7¾ | 6¾ | 50c | ... | Canada Bud | 1500 | 7½ | 7½ | 7½ | 7½ |
| 7¾ | 6½ | . | ... | Canada Cement | 6976 | 7 | 7¾ | 7 | 7¾ |
| 68½ | 58 | . | ... | Do. pref. | 2940 | 62 | 68½ | 62 | 68½ |
| 60½ | 59 | 1.50+50 | 3.3 | Can. & D. Sug | 100 | 60½ | 60½ | 60½ | 60½ |
| 16½ | 14½ | . | ... | Canada Dry | 13900 | 15¾ | 16½ | 15 | 15½ |
| 6¾ | 5 | . | ... | Can. Forg. (A) | .... | 6 | .. | .. | .. |
| 2 | 2 | . | ... | Do. (B) | .... | 2 | .. | .. | .. |
| *38 | 15 | . | ... | Canada Iron | .... | 30 | .. | .. | .. |
| *55 | 50 | 3 | 5.9 | Do. pref. | .... | 51 | .. | .. | .. |
| 520 | 520 | 20 | 3.8 | Canada Life | .... | 520 | .. | .. | .. |
| 35 | 32¾ | 1.50+50 | 5.8 | Can. Malting | 2780 | 34 | 35 | 33¾ | 34½ |
| 25½ | 22½ | 1.20 | 5.1 | Can. Nor. Pr. | 769 | 22¾ | 23½ | 22¾ | 23½ |
| 109 | 108 | 7 | 6.4 | Do. pref. | 119 | 108½ | 109 | 108 | 108 |
| 84 | 82½ | 2.25 | ... | Can. Packers | 50 | 83 | 84 | 84 | 84 |
| *115 | 110 | 7 | 6.3 | Do. pref. | .... | 111½ | .. | .. | .. |
| 105 | 105 | . | ... | Can. Paper, pf. | 200 | 105 | 105 | 105 | 105 |
| *.05 | .05 | . | ... | Can. Paving | .... | .05 | .. | .. | .. |
| *3¾ | 2 | . | ... | Do. pref. | .... | 2 | .. | .. | .. |
| 142½ | 137½ | 8 | 5.6 | Can. Perman. | 144 | 142 | 142½ | 140 | 141½ |
| *12 | 12 | . | ... | Can. Starch | .... | 12 | .. | .. | .. |
| 3 | 1¾ | . | ... | Can. Steamshp's | 430 | 2¾ | 2¾ | 2¾ | 2½ |
| 12¾ | 8 | . | ... | Do. pref. | 1810 | 12½ | 12½ | 10¾ | 10¾ |
| 27 | 21½ | 1.20 | 5.4 | Can. Vinegars | 735 | 22 | 22½ | 21½ | 22½ |
| 26½ | 22 | . | ... | Can. W. Cable | 20 | 26 | 25¾ | 25¾ | 25¾ |
| 12½ | 9 | . | ... | Do. (B) | 100 | 12 | 12 | 12 | 12 |
| 99 | 98½ | . | ... | Do. pref. | .... | 99 | .. | .. | .. |
| *2¾ | 1 | . | ... | Can. Bakeries | .... | .. | .. | .. | .. |
| 51 | 43½ | . | ... | Do. pref. | 228 | 46 | 46 | 44 | 44 |
| 165 | 149 | 8 | 4.9 | Can. Bk. Com. | 429 | 159¾ | 165 | 159¾ | 165 |
| 38 | 31 | 60c+50c | 3 | Can. Bronze | 705 | 36 | 38 | 36½ | 38 |
| 116 | 115 | 7 | 6.1 | Do. pref. | .... | 115 | .. | .. | .. |
| 5½ | 4½ | . | ... | Can. Canners | 180 | 5 | 5 | 4¾ | 5 |
| 93 | 88½ | 6 | 6.5 | Do. 1st pfd. | 210 | 91 | 93 | 91 | 93 |
| 7½ | 6½ | . | ... | Do. 2nd pfd. | 1467 | 7½ | 7¾ | 7¾ | 7¾ |
| 7¾ | 6½ | . | ... | Can. Car & Fd'y | 2191 | 6¾ | 7¾ | 6½ | 6¾ |
| 15½ | 14½ | . | ... | Do. pref. | 1759 | 14½ | 15½ | 14½ | 15 |
| 31½ | 27 | . | ... | Can. Celanese | 1111 | 29 | 29½ | 27¾ | 28½ |
| 127 | 124½ | 7 | 5.6 | Do. pref. | 243 | 125 | 125 | 124½ | 124½ |
| 19½ | 18½ | . | ... | Do. Rights | 90 | 19 | 18½ | 18½ | 18½ |
| 30 | 23¾ | 2 | 8 | Can. Convert. | 15 | 25 | 30 | 30 | 30 |
| 50 | 48 | 4 | 8 | Can. Cottons | 25 | 50 | 50 | 50 | 50 |
| 105 | 99 | 6 | 5.9 | Do. pref. | 10 | 105 | .. | .. | .. |
| 44½ | 37 | 1+1 | ... | Can. Dredge | 3581 | 38 | 42 | 38 | 42 |
| *125 | 106 | 7 | 5.6 | Do. pref. | .... | 125 | .. | .. | .. |
| 100 | 100 | 6 | 6 | Can. Fairb. pf. | .... | 100 | .. | .. | .. |
| 29½ | 23½ | 1.60 | 5.7 | Can. For. Inv. | 600 | 26½ | 29½ | 26½ | 29½ |
| 105 | 105 | 8 | 7.6 | Do. pref. | .... | 105 | .. | .. | .. |
| 160 | 150 | 3 | 1.9 | Can. Gen. Elec. | 28 | 154 | 160 | 155 | 160 |
| *6½ | 6½ | 40c | ... | Can. G. Inv. | .... | 6½ | .. | .. | .. |
| 48 | 34½ | . | ... | Can. Hyd. El. p | 2345 | 39 | 40½ | 34¾ | 40 |
| 12 | 9¾ | . | ... | Can. Ind. Alc. | 57560 | 11¾ | 12 | 11 | 11¾ |
| 11½ | 8¾ | . | ... | Do. (B) | 5170 | 10½ | 11½ | 9¾ | 9¾ |
| *227½ | 178½ | 4 | 1.8 | Can. Indust. B. | .... | 227 | .. | .. | .. |
| *166½ | 148 | 7 | ... | Do. pref. | .... | 166½ | .. | .. | .. |
| *2 | 2 | . | ... | Can. Int. I. Tr. | .... | 2 | .. | .. | .. |
| *25 | 20 | . | ... | Do. pref. | .... | 25 | .. | .. | .. |
| 20½ | 20 | 1 | 4.9 | Can. Lt. & Pr. | .... | 20½ | .. | .. | .. |
| 4 | 2½ | . | ... | Can. Locomo. | 15 | 4 | 3 | 3 | 3 |
| 2¾ | 2 | . | ... | Can. Marconi | 38065 | 2 | 2¾ | 2 | 2¾ |
| 18 | 14¾ | 50c | 3.1 | Canadian Oil | 465 | 16½ | 16½ | 14¾ | 16 |
| 126 | 123 | 8 | 6.3 | Do. pref. | 120 | 123¾ | 126 | 125 | 126 |
| 12¾ | 10¾ | . | ... | Can. Pacific | 45445 | 11 | 12¾ | 11¾ | 12¾ |
| *.15 | .10 | . | ... | C. Pr. & Pa. In. | .... | .10 | .. | .. | .. |
| 4½ | 4½ | . | ... | Do. pref. | 20 | 4½ | 4½ | 4½ | 4½ |
| 2¾ | 1½ | . | ... | Can. Vickers | 30 | 2½ | 2½ | 2½ | 2½ |
| 20 | 12 | . | ... | Do. pref. | 15 | 15 | 20 | 16 | 20 |
| 3¾ | 2¾ | . | ... | Can. Wineries | 1470 | 3¾ | 3¾ | 2¾ | 2¾ |
| 23 | 21 | 25ca | ... | Can. Wire Box | 510 | 22 | 23 | 21 | 23 |
| 24½ | 20 | . | ... | Catelli Mac (A) | 120 | 20 | 21 | 21 | 21 |
| 4 | 3 | . | ... | Do. (B) | 15 | 3½ | 3½ | 3½ | 3½ |
| *30½ | 23 | . | ... | Celanese of Am. | .... | 25 | .. | .. | .. |
| 1.60 | .85 | . | ... | Chem. Research | 22018 | .85 | 1.60 | .85 | 1.40 |
| 2½ | 1¾ | . | ... | City Gas & Elec | 165 | 1¾ | 2½ | 1¾ | 2½ |
| .60 | .40 | . | ... | Claude Neon | 440 | .50 | .50 | .40 | .50 |
| 14½ | 12¼ | 92c | 6.6 | Coast Brew. | 468 | 13¾ | 13¾ | 13 | 13¾ |
| 5½ | 4 | . | ... | Do. Rights | 1720 | 4¾ | 5½ | 4¾ | 5 |
| 8 | 7½ | . | ... | Cockshutt Plow | 1995 | 8½ | 8¾ | 8 | 8¾ |
| .90 | .75 | . | ... | Comm. Alcohol | 280 | .85 | .85 | .75 | .75 |
| *1.00 | .15 | . | ... | Conduits | .... | .15 | .. | .. | .. |
| *61 | 48 | . | ... | Do. pref. | .... | 50 | .. | .. | .. |
| 18¾ | 16¾ | 80+10c | ... | Cons. Bakeries | 1112 | 17½ | 17¾ | 17½ | 17¾ |
| 3½ | 2 | . | ... | Cons. Paper | 4831 | 2¾ | 2¾ | 2½ | 2¾ |
| 9 | 8½ | . | ... | Cons. Press | .... | 8½ | .. | .. | .. |
| 34 | 34 | . | ... | Cons. Sand, pf. | 25 | .. | 34 | 34 | 34 |
| 239 | 200 | 2.50+4 | ... | Cons. Smelters | 2128 | 215 | 239 | 217 | 238 |
| 192 | 189 | 10 | 5.2 | Consumers' Gas | 387 | 192 | 192 | 190 | 190 |
| 90 | 86 | 5.25 | ... | Corr. P. Box, pf. | .... | 90 | .. | .. | .. |
| 22½ | 17½ | 52½c | ... | Cosmos Imp. | 4083 | 18½ | 22½ | 17½ | 22 |
| 107 | 104½ | 7 | 6.6 | Do. pref. | 530 | 107 | 106 | 104½ | 105 |
| 17 | 17 | . | ... | Cr. Cork & S. | 320 | .. | 17 | 17 | 17 |
| 2¾ | 2 | . | ... | Crown Dom. Oil | 125 | 2 | 2¾ | 2 | 2½ |
| *30 | 25 | 2 | ... | Crow's N. Coal | .... | 25 | .. | .. | .. |
| | | | | **D** | | | | | |
| *1 | ½ | . | ... | David & Fre. B. | .... | ½ | .. | .. | .. |
| 2 | 2 | . | ... | Do. (A) | 5 | .. | 2 | 2 | 2 |
| 4 | 2 | . | ... | De Havilland | 1805 | 2½ | 4 | 2¾ | 4 |
| 40 | 40 | . | ... | Do. (A) | 25 | .. | 40 | 40 | 40 |
| †9 | 5 | . | ... | Disher Steel | .... | .. | .. | .. | .. |
| 9 | 7½ | . | ... | Do. pref. | .... | 9 | .. | .. | .. |
| 34¾ | 29½ | . | ... | Distill-Seagram | 12911 | 32½ | 32½ | 29½ | 30 |
| 212 | 190 | 10 | 4.9 | Dom. Bank | 224 | 205 | 212 | 205 | 211 |
| 39½ | 32 | 1.20 | 3.1 | Dom. Bridge | 11125 | 34¾ | 39½ | 34¾ | 38½ |
| 15¾ | 14¾ | 1.50 | ... | Dom. Coal, p. n. | 1255 | 15½ | 15¾ | 15 | 15 |
| 34½ | 26½ | . | ... | Dom. Engineer. | 225 | 34 | 34 | 34 | 34 |
| 32 | 32 | . | ... | Dom. Foundries | .... | 32 | .. | .. | .. |
| 112¾ | 106 | 5 | 4.5 | Dom. Glass | 102 | 110 | 112 | 110 | 110 |
| 140 | 136½ | 7 | 5 | Do. pref. | 20 | 140 | 140 | 140 | 140 |
| *.10 | .09 | . | ... | Dom. Motors | .... | .10 | .. | .. | .. |
| 35¾ | 35 | . | ... | Dom. Oilcloth | .... | 35½ | .. | .. | .. |
| *90½ | 80 | 7 | 7.7 | Dom. Rubber, p | .... | 90½ | .. | .. | .. |
| 5¾ | 4½ | . | ... | Dom. St. & C.B. | 8526 | 4¾ | 5¾ | 4¾ | 5 |
| 12 | 8¾ | . | ... | Dom. Stores | 3441 | 10¾ | 11½ | 10 | 10½ |
| 7½ | 4½ | . | ... | Dom. Tar & Ch. | 13224 | 5 | 7½ | 4¾ | 7½ |
| 71 | 57 | . | ... | Do. pref. | 2190 | 60 | 71 | 60 | 71 |
| 79 | 70 | 5 | 7 | Dom. Textile | 481 | 77 | 76 | 70 | 72 |
| 146½ | 146 | 7 | 4.8 | Do. pref. | 5 | 146 | 146 | 146 | 146 |
| 6½ | 5 | . | ... | Donnacona P. A | 134 | 6½ | 6½ | 5 | 6½ |
| 6½ | 2¾ | . | ... | Do. (B) | 970 | 4 | 6½ | 4½ | 5½ |
| 6¾ | 5 | . | ... | Dryden Paper | 919 | 5¾ | 6 | 5½ | 5½ |
| | | | | **E** | | | | | |
| 1 | 1 | . | ... | East. Koot. Pr. | 10 | .. | 1 | 1 | 1 |
| 6 | 5 | . | ... | Do. pref. | .... | 6 | .. | .. | .. |
| 2½ | 2 | . | ... | East. Dairies | 525 | 2 | 2½ | 2½ | 2½ |
| 15 | 12½ | . | ... | Do. pref. | 25 | 15 | 12½ | 12½ | 12½ |
| 11 | 10 | . | ... | East. Steel | 5 | 11 | 10½ | 10½ | 10½ |
| 87 | 85 | 7 | 8 | Do. pref. | .... | 87 | .. | .. | .. |
| *8 | 7½ | . | ... | East. Theatres | .... | 7½ | .. | .. | .. |
| *85 | 58½ | 7 | 8.2 | Do. pref. | .... | 85 | .. | .. | .. |
| 1½ | 1½ | . | ... | Easy Washing | 25 | 1½ | 1½ | 1½ | 1½ |
| 21 | 21 | . | ... | Economic Inv. | .... | 21 | .. | .. | .. |
| 25 | 19½ | . | ... | Electrolux | 19660 | 20½ | 25 | 20½ | 25 |
| 1 | 1 | . | ... | Enam. & Heat. | 5 | 1 | 1 | 1 | 1 |
| 23 | 10½ | . | ... | Eng. Electric | 1300 | 16 | 23 | 17½ | 22½ |
| 12½ | 7 | . | ... | Do. (B) | 1030 | 9 | 12½ | 9½ | 12 |
| *9 | 6¾ | 30c | ... | European El. A. | .... | 7 | .. | .. | .. |
| | | | | **F** | | | | | |
| 19½ | 19 | 50c | ... | Fam. Players | 8 | .. | 19½ | 19 | 19 |
| *17 | 14 | . | ... | Do. Vot. Tr. | .... | 16 | .. | .. | .. |
| 15 | 13½ | 50c | 3.3 | Fanny Farmer | 9304 | 14¾ | 15 | 14¾ | 14¾ |
| 27 | 24¾ | 50c | 1.8 | Ford Motors A. | 7907 | 25 | 27 | 25 | 25¾ |
| 1.00 | .85 | . | ... | For. Pr. Secs. | 45 | .85 | .95 | .90 | .95 |
| 15 | 13½ | . | ... | Foundation Co. | 2381 | 14¾ | 15 | 14 | 15 |
| 11½ | 9 | . | ... | Fraser Cos. | 386 | 9½ | 10½ | 9½ | 10 |
| 10 | 8 | . | ... | Do. Vot. Tr. | 275 | 8½ | 9½ | 8¾ | 9½ |
| 55 | 55 | 6 | 10.9 | Freiman, pf. | .... | 55 | .. | .. | .. |
| 4 | 2¾ | . | ... | Frost Steel | 5 | 3½ | 4 | 4 | 4 |
| 100 | 100 | 1.75 | ... | Do. pref. | 20 | .. | 100 | 100 | 100 |
| | | | | **G** | | | | | |
| 5¾ | 4¾ | . | ... | Gen. St. Wares | 3396 | 5½ | 5½ | 5 | 5½ |
| 65 | 55 | . | ... | Do. pref. | 392 | 62 | 65 | 61½ | 61¾ |
| 67 | 64¾ | 63c | ... | Goodyear Tire | 487 | 65½ | 67 | 65 | 67 |
| 57 | 55 | 2.50 | ... | Do. pref. | 483 | 55½ | 56 | 55 | 56 |
| 1½ | 1 | . | ... | Gt. W. Saddlery | 215 | 1 | 1½ | 1 | 1½ |
| 22 | 13 | . | ... | Do. pref. | 81 | 15 | 22 | 14¾ | 22 |
| 7 | 6½ | . | ... | Gurd, Chas. | 475 | 6¾ | 7 | 6½ | 6½ |
| 100 | 100 | 7 | 7 | Do. pref. | 13 | 100 | 100 | 100 | 100 |
| 6½ | 6½ | . | ... | Gypsum, Lime | 3680 | 7½ | 7¾ | 7½ | 7½ |
| | | | | **H** | | | | | |
| 6¾ | 4½ | . | ... | Ham. Bridge | 905 | 5½ | 6 | 5½ | 6 |
| 37 | 25½ | . | ... | Do. pref. | 165 | 35 | 37 | 36 | 37 |
| 29 | 27 | 1.50 | ... | Ham. Cot., pf. | .... | 29 | .. | .. | .. |
| *2½ | ½ | . | ... | Ham. U. Theat. | .... | ½ | .. | .. | .. |
| 50½ | 50 | 4 | 8 | Do. pref. | .... | 50 | .. | .. | .. |
| 3½ | 2½ | . | ... | Harding Carpet. | 920 | 3½ | 3 | 3 | 3 |
| 1.50 | 1.50 | . | ... | Hillcrest Coll. | .... | 1.50 | .. | .. | .. |
| 16 | 16 | . | ... | Do. pref. | .... | 16 | .. | .. | .. |
| 14½ | 13¾ | 50c | ... | Hinde & Dauch | 1190 | 14½ | 14½ | 14 | 14½ |
| 7 | 7 | . | ... | Holt Renfrew | .... | 7 | .. | .. | .. |
| 40 | 30 | . | ... | Do. pref. | 25 | 30 | 40 | 40 | 40 |
| .50 | .40 | . | ... | Honey Dew | 25 | .50 | .40 | .40 | .40 |
| 7½ | 7½ | . | ... | Do. pref. | 50 | 7½ | 7½ | 7½ | 7½ |
| 13 | 11½ | . | ... | H. Smith Pap. | 635 | 12¾ | 12¾ | 11¾ | 11¾ |
| 115 | 108 | . | ... | Do. pref. | 103 | 112 | 115 | 113 | 114¾ |
| 34 | 33½ | 2 | 6 | Humberstone S. | 40 | 33½ | 33½ | 33½ | 33½ |
| 6 | 5½ | . | ... | Hunts (A) | 60 | 6 | 5½ | 5½ | 5½ |
| *11 | 3 | . | ... | Do. (B) | .... | 10 | .. | .. | .. |
| 88 | 85½ | 6 | 7 | Huron & E. Mt. | 67 | 85½ | 85½ | 85½ | 85½ |
| *17½ | 14 | . | ... | Do. 20% pd. | .... | 14¾ | .. | .. | .. |
| *5½ | 3 | . | ... | Hydro Electric | .... | 5½ | .. | .. | .. |
| | | | | **I** | | | | | |
| 215¾ | 200 | 10 | 4.7 | Imperial Bank | 128 | 205 | 215¾ | 205 | 212 |
| 24 | 20½ | 50+75c | 5.2 | Imperial Oil | 37780 | 22¾ | 24 | 22¾ | 23¾ |
| 14½ | 13¾ | 52½c | 3.7 | Imperial Tob. | 2615 | 14½ | 14½ | 14 | 14 |
| 7¾ | 7½ | 6% | ... | Do. pref. | 325 | 7¾ | 7¾ | 7¾ | 7¾ |
| 22 | 19 | 1 | ... | Inter. City Bak. | 30 | 21 | 22 | 22 | 22 |
| 45 | 40 | 5+2 | ... | Inter'c Coal | .... | 40 | .. | .. | .. |
| *110 | 100 | 8 | 7.3 | Do. pref. | .... | 110 | .. | .. | .. |
| b5½ | 3½ | . | ... | Int. Hyd. E. A. | 25900 | 4¾ | 5½ | 4¾ | 5 |
| 7½ | 4 | . | ... | Int. Metal Ind. | 885 | 6¾ | 7½ | 6½ | 6½ |
| 42 | 30 | . | ... | Do. pref. | 43 | 41 | 42 | 39 | 41½ |
| 105 | 103½ | 5 | 4.8 | Inter. Mill., pf. | 176 | 104½ | 104½ | 104 | 104½ |
| 49¾ | 45½ | 1 | 2.1 | Inter. Nickel | 70514 | 48½ | 49¾ | 48 | 48½ |
| 5½ | 4 | . | ... | Inter. Paints | 85 | 5½ | 5½ | 5½ | 5½ |
| 29½ | 19 | 1.12½▲ | ... | Do. pref. | 255 | 28 | 26 | 25 | 25 |
| b5¾ | 4 | . | ... | Int. Pa. & P. A | 14600 | 4½ | 5¾ | 4¾ | 5½ |
| b3½ | 2½ | . | ... | Do. (B) | 2800 | 2¾ | 3½ | 2¾ | 2¾ |
| b2½ | 1½ | . | ... | Do. (C) | 21900 | 1¾ | 2½ | 1¾ | 2½ |
| b31¾ | 23½ | . | ... | Do. pref. | 70490 | 26¾ | 31¾ | 27 | 31½ |
| 39½ | 33¾ | 1.50+1 | 6.4 | Inter. Pete. | 30674 | 37½ | 39½ | 37½ | 38¾ |
| 4¾ | 3½ | . | ... | Inter. Power | 407 | 4¾ | 4¾ | 4½ | 4¾ |
| 75½ | 57 | 3 | ... | Do. pref. | 311 | 70 | 75½ | 71 | 75½ |
| *13¾ | 12½ | . | ... | Inter. St. Rly. A | .... | 13¾ | .. | .. | .. |
| *2 | 2 | . | ... | Do. (B) | .... | 2 | .. | .. | .. |
| 12½ | 3¾ | . | ... | Int. Util. (A) | 1839 | 8 | 12½ | 8½ | 12 |
| 1.75 | .40 | . | ... | Do. (B) | 21845 | .85 | 1.75 | .85 | 1.70 |
| | | | | **J** | | | | | |
| 33½ | 33 | 1.50 | 4.5 | Jam. Pub. Ser. | 71 | 33½ | 33½ | 33½ | 33½ |
| 124 | 123½ | 7 | 5.7 | Do. pref. | .... | 123½ | .. | .. | .. |
| | | | | **K** | | | | | |
| 9 | 6½ | . | ... | Kelvinator | 1280 | 8 | 9 | 8½ | 8¾ |
| 107 | 106 | 7 | 6.6 | Do. pref. | 18 | 106 | 106½ | 106½ | 106½ |
| | | | | **L** | | | | | |
| 18½ | 16½ | . | ... | Lake of Woods | 1100 | 17½ | 17½ | 16½ | 17½ |
| 130 | 123 | 1.75▲ | ... | Do. pref. | 5 | 130 | 125 | 125 | 125 |
| 55½ | 55 | 5 | 9 | Landed Bank. | 14 | 55 | 55½ | 55½ | 55½ |
| *4 | 3½ | . | ... | Langley's | .... | 3½ | .. | .. | .. |
| 50 | 48 | 7 | 14.6 | Do. pref. | 10 | 48 | 50 | 50 | 50 |
| 67 | 64½ | 3 | 4.5 | Laura Secord | 325 | 66 | 67 | 65 | 67 |
| 4 | 3 | . | ... | Lindsay, C. W. | 60 | 3¾ | 3¾ | 3¾ | 3¾ |
| 40 | 40 | . | ... | Do. pref. | .... | 40 | .. | .. | .. |
| 20 | 18¾ | 1 | 5.1 | Loblaw (A) | 3293 | 19½ | 20 | 19½ | 20 |
| 18½ | 17¾ | 1 | 5.5 | Do. (B) | 3766 | 17¾ | 18½ | 17¾ | 18½ |
| *7½ | 6½ | 10c | ... | Louisiana L. | .... | 6½ | .. | .. | .. |
| | | | | **M** | | | | | |
| *3½ | 3½ | . | ... | MacKin. Steel | .... | 3½ | .. | .. | .. |
| *2½ | 1½ | . | ... | Manitoba Pr. | .... | 1½ | .. | .. | .. |
| 50 | 50 | . | ... | M. L. Gardens. | .... | 50 | .. | .. | .. |
| 4 | 3½ | . | ... | Do. pref. | 10 | 3¾ | 4 | 4 | 4 |
| 2.25 | 1.50 | . | ... | Maple Leaf | 525 | 1.75 | 1.90 | 1.75 | 1.75 |
| 5¾ | 4 | . | ... | Do. pref. | 131 | 5 | 5 | 4½ | 4½ |
| *12¾ | 12 | 60c | 4.7 | Maritime Tel. | .... | 12¾ | .. | .. | .. |
| *15 | 14½ | 70c | 4.7 | Do. pref. | .... | 14¾ | .. | .. | .. |
| *20 | 14 | . | ... | Marcus Loew's. | .... | 16½ | .. | .. | .. |
| *115 | 103½ | 7 | 6.3 | Do. pref. | .... | 111¾ | .. | .. | .. |
| 7½ | 5¾ | . | ... | Massey-Harris | 29529 | 5¾ | 7½ | 6 | 7 |
| 36½ | 34½ | . | ... | Do. pref. | 1295 | 34½ | 36½ | 35 | 36½ |
| 17¾ | 12½ | 80c | 4.5 | McColl Fron. | 23942 | 15¾ | 17¾ | 15¾ | 17½ |
| 105 | 96½ | 6 | 5.7 | Do. pref. | 701 | 101 | 104¾ | 100¾ | 104 |
| 12 | 10¾ | 50ca | ... | Melchers (A) | 2415 | 11½ | 12 | 11 | 11¾ |
| 5 | 4½ | . | ... | Do. (B) | 440 | 5 | 5 | 4¾ | 5 |
| 10 | 9 | . | ... | Mercury Mills p | 25 | 9 | 10 | 10 | 10 |
| 33 | 30 | 1 | ... | Mitchell, J. S. | 2 | 30 | 33 | 33 | 33 |
| 110 | 110 | 7 | 6.4 | Do. pref. | 5 | .. | 110 | 110 | 110 |
| 8 | 5½ | . | ... | Mitchell, Robt. | 55 | 7½ | 7 | 6¾ | 6¾ |
| 5 | 3 | . | ... | Monarch Knit. | 53 | 4 | 5 | 4½ | 5 |
| 90 | 90 | 7 | 7.8 | Do. pref. | .... | 90 | .. | .. | .. |
| 35 | 26 | . | ... | Montreal Cot. | .... | 35 | .. | .. | .. |
| 99 | 85 | 7 | 7.2 | Do. pref. | 80 | 99 | 99 | 97 | 97 |
| *¾ | ½ | . | ... | Montreal Exhib. | .... | ½ | .. | .. | .. |
| 2 | 2 | . | ... | Mont. Is. Pr. | .... | 2 | .. | .. | .. |
| 34 | 31¾ | 1.50 | 4.6 | Mont. L. & Pr. | 11768 | 32 | 33 | 32 | 32¾ |
| *32 | 30 | 2.50 | 8.3 | Montreal Loan | .... | 30 | .. | .. | .. |
| 9 | 9 | . | ... | Mtl. Ref. & S.P. | .... | 9 | .. | .. | .. |
| *2 | 1½ | . | ... | Do. Vot. Tr. | .... | 2 | .. | .. | .. |
| 60 | 57 | 3.20 | 5.3 | Montreal Tele. | 72 | 60 | 59 | 58 | 58 |
| 103 | 80 | 9 | 8.9 | Montreal Trams | 129 | 102 | 103 | 101 | 101 |
| 31¾ | 17½ | 50c | 1.6 | Moore Corp. | 2787 | 30 | 31¾ | 30 | 31 |
| 160 | 146 | 7 | 4.4 | Do. pref. (A) | 114 | 155 | 160 | 157 | 160 |
| 180½ | 175 | 7 | 3.8 | Do. pref. (B) | .... | 180½ | .. | .. | .. |
| .65 | .30 | . | ... | Muirheads | 100 | .50 | .65 | .65 | .65 |
| 3 | 3 | . | ... | Do. pref. | .... | 3 | .. | .. | .. |
| | | | | **N** | | | | | |
| 42½ | 37 | 1.60 | 4 | Nat. Breweries | 8229 | 41 | 42½ | 39¾ | 42½ |
| 43 | 40 | 1.75 | 4.1 | Do. pref. | 176 | 41 | 43 | 42 | 43 |
| 7¾ | 6¾ | . | ... | Nat. Grocers | 3440 | 6¾ | 7¾ | 6¾ | 7¾ |
| 135 | 130 | 7 | 5.2 | Do. pref. | 16 | 130 | 135 | 135 | 135 |
| 19 | 16¾ | . | ... | N. Sew. Pipe A. | 230 | 18 | 19 | 18½ | 19 |
| 17½ | 15½ | . | ... | Nat. Steel Car. | 1030 | 16 | 16½ | 15¾ | 16 |
| 201 | 198 | 8 | 4 | National Tr. | 8 | 201 | 198 | 198 | 198 |
| 45 | 34 | 2 | 4.4 | Niag. W. Weav. | 115 | 42 | 45 | 45 | 45 |
| 58 | 56 | 3 | 5.2 | Do. pref. | .... | 58 | .. | .. | .. |
| 1.60 | 1.00 | . | ... | North Star Oil. | 500 | 1.10 | 1.60 | 1.40 | 1.50 |
| 3.50 | 3.15 | . | ... | Do. pref. | 515 | 3.30 | 3.50 | 3.30 | 3.50 |
| *57 | 57 | . | ... | N. S. L. & Pr. | .... | 57 | .. | .. | .. |
| | | | | **O** | | | | | |
| 208 | 199¾ | 8 | 3.9 | Ogilvie Flour | 150 | 204 | 208 | 205 | 208 |
| 153 | 152 | 7 | 4.6 | Do. pref. | 15 | 152 | 152 | 152 | 152 |
| 10 | 7½ | . | ... | Ont. Eq. 10% pd | 25 | 9½ | 9 | 9 | 9 |
| 109 | 109 | 6 | 5.5 | Ontario Loan | .... | 109 | .. | .. | .. |
| 13¾ | 13 | . | ... | Ont. Silknit | 5 | 13¾ | 13 | 13 | 13 |
| *105 | 75 | 7+2▲ | 6.9 | Do. pref. | .... | 102 | .. | .. | .. |
| 8 | 8 | . | ... | Ont. Steel | .... | 8 | .. | .. | .. |
| 75 | 75 | . | ... | Do. pref. | .... | 75 | .. | .. | .. |
| .30 | .30 | . | ... | Orange Crush | 100 | .. | .30 | .30 | .30 |
| 7 | 6 | . | ... | Do. 1st pref. | 80 | 6½ | 7 | 6 | 6 |
| *.55 | .20 | . | ... | Do. 2nd pref. | .... | .45 | .. | .. | .. |
| 90 | 89½ | 6 | 6.7 | Ott. L. H. & Pr. | 5 | 89½ | 89½ | 89½ | 89½ |
| 110 | 108 | 6.50 | 6 | Do. pref. | 6 | 108 | 108 | 108 | 108 |
| 21 | 19½ | 2 | ... | Ott. Traction | 70 | 19½ | 19½ | 19½ | 19½ |
| | | | | **P** | | | | | |
| 85 | 78½ | 3 | 3.6 | Page Hersey | 1103 | 82 | 85 | 81¾ | 85 |
| 5¾ | 3½ | . | ... | Pantepec Oil | 23720 | 5½ | 5¾ | 4¾ | 5½ |
| 25 | 18 | . | ... | Paton Mfg. | .... | 23 | .. | .. | .. |
| *98 | 94 | 7 | 7.2 | Do. pref. | .... | 98 | .. | .. | .. |
| 57 | 55 | 3 | 5.4 | Penmans | 105 | 57 | 57 | 55 | 57 |
| 118 | 118 | 6 | 5.1 | Do. pref. | .... | 118 | .. | .. | .. |
| 27 | 26 | 1 | 3.8 | Photo Eng. | 70 | 26 | 26 | 26 | 26 |
| 90½ | 85 | 7 | 7.7 | Porto Rico Pr. p | 10 | 90 | 90½ | 90½ | 90½ |
| 13½ | 11¾ | . | ... | Power Corp. | 5126 | 12 | 13½ | 12 | 13½ |
| 100 | 98 | 6 | 6 | Do. pref. | 150 | 99½ | 100 | 99 | 100 |
| 1.50 | 1.25 | . | ... | Prairie C. Oil | .... | 1.50 | .. | .. | .. |
| 23 | 19 | 25c | ... | Pressed Metals | 1750 | 21 | 23 | 21 | 22¾ |
| 4½ | 3½ | . | ... | Price Bros. | 3745 | 4½ | 4¾ | 4 | 4½ |
| 28 | 23½ | . | ... | Do. pref. | 230 | 27 | 27½ | 26 | 26 |
| | | | | **Q** | | | | | |
| 16 | 14 | 1 | 6.9 | Quebec Power | 1359 | 14¾ | 15 | 14 | 14 |
| | | | | **R** | | | | | |
| *58 | 40 | 2 | 5 | Real Estate L'n | .... | 40 | .. | .. | .. |
| 5¾ | 5 | . | ... | Regent Knit. | 480 | 5½ | 5¾ | 5 | 5¾ |
| 10 | 6½ | . | ... | Reliance Grain | 25 | 9½ | 9½ | 9½ | 9½ |
| 30 | 29½ | 1 | 3.4 | River S. Mills | 45 | 29½ | 30 | 29½ | 29½ |
| 6½ | 5¾ | . | ... | Rogers Majest. | 1590 | 5¾ | 6 | 5¾ | 5¾ |
| 99½ | 95½ | 6 | 6.1 | Rolland P., pf. | 33 | 98½ | 99½ | 98½ | 99½ |
| 179 | 164 | 8 | 4.5 | Royal Bank | 576 | 172 | 179 | 172½ | 178 |
| 30 | 30 | . | ... | Russell Motor | .... | 30 | .. | .. | .. |
| 103 | 100 | 7+1▲ | 6.8 | Do. pref. | 5 | 101 | 103 | 103 | 103 |
| | | | | **S** | | | | | |
| 9½ | 9 | . | ... | Sarnia Br. (A) | .... | 9½ | .. | .. | .. |
| 2.00 | 1.75 | . | ... | Do. (B) | 75 | 1.75 | 2.00 | 1.75 | 1.75 |
| 20½ | 19½ | 60c | 3 | Shawinigan | 6861 | 19¾ | 20½ | 19¾ | 20¾ |
| 20 | 17½ | . | ... | Sher. Wms. | 586 | 18½ | 19 | 17¾ | 18 |
| 127½ | 117 | 1.75▲ | ... | Do. pref. | 5 | 125 | 126 | 126 | 126 |
| 12 | 10 | . | ... | Simon & Son | 211 | 10½ | 11½ | 11 | 11½ |
| 93 | 93 | . | ... | Do. pref. | .... | 93 | .. | .. | .. |
| 79½ | 76 | 4 | 5.2 | Simpson, Ltd. | 60 | 76½ | 76½ | 76 | 76 |
| 12 | 12 | . | ... | Do. (A) | 115 | 12 | 12 | 12 | 12 |
| 9 | 9 | . | ... | Do. (B) | 6 | 9 | 9 | 9 | 9 |
| 114 | 111½ | 6 | 5.3 | Simpson, R., p. | 26 | 114 | 114 | 114 | 114 |
| 13½ | 12 | 80c | 6.4 | So. Can. Pr. | 1061 | 12¾ | 12½ | 12 | 12 |
| 100 | 98 | 6 | 6.1 | Do. pref. | 99 | 98½ | 98½ | 98 | 98 |
| 2½ | 1¾ | . | ... | St. Law. Corp. | 2765 | 2 | 2½ | 2 | 2 |
| 9¾ | 8 | . | ... | Do. (A) | 930 | 8 | 8¾ | 8 | 8 |
| 40 | 40 | 2 | 5 | St. Law. Flour. | 35 | 40 | 40 | 40 | 40 |
| 123 | 120 | 7 | 5.7 | Do. pref. | .... | 123 | .. | .. | .. |
| 24 | 20½ | . | ... | St. Law. Pap. p. | 2240 | 21¾ | 23 | 21¾ | 22½ |
| 8½ | 6¾ | . | ... | Stand. Chem. | 55 | 7½ | 8½ | 8 | 8½ |
| 2.10 | 1.15 | . | ... | St. Pav. & Mat. | 2053 | 1.20 | 2.10 | 1.25 | 2.00 |
| 15 | 12 | . | ... | Do. pref. | 5 | 14 | 13 | 13 | 13 |
| 22 | 20 | . | ... | Stand. Steel, pf. | 10 | 22 | 22 | 22 | 22 |
| 63½ | 57 | 1.75+1.42½ | ... | Steel of Can. | 3038 | 60½ | 63½ | 59½ | 63½ |
| 55½ | 49½ | 1.75 | 3.2 | Do. pref. | 2493 | 53¾ | 55½ | 53¾ | 55½ |
| 3 | 3 | . | ... | Sterling Coal | .... | 3 | .. | .. | .. |
| *4¾ | 4¾ | . | ... | Stop & Shop | .... | 4¾ | .. | .. | .. |
| 2½ | 2½ | . | ... | Supersilk H. | .... | 2½ | .. | .. | .. |
| *72 | 58½ | 3.50 | 4.9 | Do. pref. | .... | 72 | .. | .. | .. |
| 33¾ | 30 | 1 | 3 | Sup. Pete. ord. | 155 | 33½ | 33½ | 33 | 33½ |
| 32½ | 32 | 1 | 3.1 | Do. com. | .... | 32½ | .. | .. | .. |
| 110 | 110 | 7 | 6.4 | Do. pref. | 5 | .. | 110 | 110 | 110 |
| | | | | **T** | | | | | |
| 40 | 32¾ | . | ... | Tamblyn | 40 | 37 | 40 | 38 | 38 |
| 112½ | 111½ | 7 | 6.3 | Do. pref. | 42 | 112 | 112 | 111½ | 112 |
| 3 | 1½ | . | ... | Thayers | 85 | 2½ | 3 | 2 | 3 |
| 33½ | 33½ | 3.50 | 10.4 | Do. pref. | .... | 33½ | .. | .. | .. |
| 2½ | 1½ | . | ... | Thrift Stores | 105 | 2 | 2 | 2 | 2 |
| 9 | 7½ | . | ... | Do. pref. | 25 | 9 | 8½ | 8½ | 8½ |
| 11 | 8½ | . | ... | Tip Top Tailors | 65 | 10½ | 10½ | 10 | 10½ |
| 105 | 102 | 7 | 6.7 | Do. pref. | .... | 105 | .. | .. | .. |
| †22 | 10 | . | ... | Tooke Bros. | .... | .. | .. | .. | .. |
| 12 | 10½ | . | ... | Do. pref. | .... | 12 | .. | .. | .. |
| 37 | 34 | 1 | 2.7 | Tor. Elevators | 115 | 34 | 37 | 34 | 37 |
| 118 | 113½ | 7 | 5.9 | Do. pref. | 105 | 116 | 118 | 115 | 115 |
| 94 | 90 | 4 | 4.2 | Tor. Gen. Tr. | .... | 94 | .. | .. | .. |
| 120 | 115 | 6 | 5 | Toronto Mtge. | 8 | 118 | 120 | 120 | 120 |
| 150 | 150 | 7 | 4.6 | Tuckett Tob., p. | 10 | 150 | 150 | 150 | 150 |
| 12½ | 8 | . | ... | Twin City | 540 | 10 | 12½ | 10 | 12½ |
| b77½ | 65½ | . | ... | Do. pref. | .... | .. | .. | .. | .. |
| | | | | **U** | | | | | |
| 10½ | 9 | . | ... | Union Gas | 6531 | 9½ | 10½ | 9¾ | 10½ |
| 15 | 15 | . | ... | Un. Amuse. A. | .... | 15 | .. | .. | .. |
| 17½ | 7½ | . | ... | Do. (B) | .... | .. | .. | .. | .. |
| .90 | .75 | . | ... | United Distill. | .... | .75 | .. | .. | .. |
| 12 | 2 | . | ... | United Fuel | .... | .. | .. | .. | .. |
| 25 | 22 | . | ... | Do. pref. | 340 | 22½ | 23½ | 22 | 22¾ |
| *30 | 23 | 2 | 8.3 | United Secs. | .... | 24½ | .. | .. | .. |
| 4¾ | 3½ | . | ... | United Steel | 6330 | 3½ | 4¾ | 3½ | 4½ |
| | | | | **V** | | | | | |
| 3 | 2 | . | ... | Viau Biscuit | 320 | 2½ | 3 | 2½ | 3 |
| 25 | 18 | . | ... | Do. pref. | .... | 25 | .. | .. | .. |
| | | | | **W** | | | | | |
| 31½ | 28 | . | ... | Wabasso Cot. | 250 | 28½ | 28½ | 28 | 28 |
| 34¾ | 31½ | . | ... | Walker-Good. | 3998 | 33½ | 33½ | 31½ | 31½ |
| 18½ | 17¾ | 1 | 5.4 | Do. pref. | 2195 | 18½ | 18½ | 18½ | 18½ |
| 3½ | 2 | . | ... | Walkerville Br. | 2635 | 3 | 3½ | 2¾ | 3½ |
| 1.50 | 1.25 | . | ... | Waterloo Mfg. | 250 | 1.50 | 1.50 | 1.40 | 1.50 |
| 10 | 6¾ | . | ... | West. C. Flour | .... | 9 | .. | .. | .. |
| 65 | 55 | . | ... | Do. pref. | 11 | 58 | 58 | 58 | 58 |
| 48 | 46½ | 2 | 4.2 | West. Grocers | 16 | 47 | 48 | 48 | 48 |
| 107 | 107 | 7 | 6.5 | Do. pref. | .... | 107 | .. | .. | .. |
| *107 | 95 | 7 | 6.5 | W. Koot. Pr. pf. | .... | 107 | .. | .. | .. |
| 17¾ | 14¾ | 60c | 3.5 | Weston Ltd. | 2635 | 17 | 17¾ | 16¾ | 16¾ |
| 111 | 109¾ | 7 | 6.3 | Do. pref. | 20 | 110½ | 111 | 110½ | 111 |
| 9 | 8½ | . | ... | Whittall Can. | .... | 9 | .. | .. | .. |
| 121½ | 121½ | 6.50 | 5.4 | Do. pref. | .... | 121½ | .. | .. | .. |
| *3 | 1 | . | ... | Windsor Hotel | .... | 1 | .. | .. | .. |
| *8 | 1 | . | ... | Do. pref. | .... | 1 | .. | .. | .. |
| 3½ | 2½ | . | ... | Winnipeg Elec. | 1555 | 2½ | 3½ | 2½ | 3½ |
| 14 | 11 | . | ... | Do. pref. | 205 | 10 | 14 | 12½ | 14 |
| 38 | 38 | . | ... | Wood, A. & J., p | .... | 38 | .. | .. | .. |
| 67½ | 52 | . | ... | Woods Mfg., pf. | 324 | 60 | 58½ | 52 | 52 |
| | | | | **Z** | | | | | |
| 3 | 2¾ | . | ... | Zimmerknit, c. | 328 | 3 | 2¾ | 2¾ | 2¾ |
| 63¾ | 63¾ | . | ... | Do. pref. | .... | 63¾ | .. | .. | .. |

* Quotations for 1935. ‡ Quotations for 1934. § Quotations for 1933. No sales recorded in 1936 to date. b New York Quotations. ▲ On account of arrears.

## Government Bonds

(Furnished by Toronto Bond Traders' Assoc.)

February 4, 1936

### Dominion of Canada Bonds

| | | Bid Feb. 4 | Asked Feb. 4 | Approx. Yield | Bid Jan. 29 |
|---|---|---|---|---|---|
| Dominion .. 2 | 15 Oct. 1936 | 100.30 | 100.65 | 1.07 | 100.15 |
| Dominion .. 5 | 15 Nov. 1936 | 102.75 | 103.15 | 1.00 | 102.25 |
| †‡Dominion .. 5 | 1 Mar. 1937 | 104.25 | 105.00 | .37 | 104.15 |
| ‡Dominion .. 5½ | 1 Dec. 1937 | 108.00 | 108.40 | .84 | 107.65 |
| Dominion .. 2½ | 15 Oct. 1939 | 102.10 | 102.60 | 1.77 | 101.75 |
| Dominion .. 4 | 15 Oct. 1939 | 107.50 | 108.00 | 1.76 | 106.75 |
| Dominion .. 2 | 15 Nov. 1939 | 100.85 | 101.35 | 1.64 | 100.25 |
| Dominion .. 4½ | 1 Sept. 1940 | 110.15 | 110.65 | 2.05 | 109.65 |
| Dominion .. 5 | 15 Nov. 1941 | 112.50 | 112.96 | 2.58 | 111.75 |
| Dominion .. 3 | 15 Oct. 1942 | 104.65 | 105.25 | 2.15 | 104.00 |
| Dominion .. 2½ | 1 June 1943 | 102.10 | 102.60 | 2.11 | 101.50 |
| Dominion .. 5 | 15 Oct. 1943 | 113.50 | 113.95 | 2.96 | 112.75 |
| Dominion .. 4½ | 15 Oct. 1944 | 111.50 | 112.00 | 2.92 | 110.85 |
| ■Dominion .. 2½ | 15 Aug. '43-45 | 97.60 | 98.15 | 2.72 | 96.75 |
| Dominion .. 4 | 15 Oct. '43-45 | 108.15 | 108.65 | 2.73▲ | 107.35 |
| Dominion .. 4½ | 1 Feb. 1946 | 111.40 | 112.00 | 3.09 | 110.75 |
| Dominion .. 3½ | 15 Oct. '44-49 | 103.75 | 104.15 | 2.96▲ | 103.25 |
| Dominion .. 4 | 15 Oct. '47-52 | 107.45 | 107.75 | 3.22▲ | 106.65 |
| Dominion .. 3 | 1 June '50-55 | 98.35 | 98.85 | 3.08 | 97.85 |
| Dominion .. 4½ | 1 Nov. '46-56 | 108.90 | 109.50 | 3.45▲ | 108.25 |
| Dominion .. 4½ | 1 Nov. '47-57 | 108.90 | 109.50 | 3.53▲ | 108.25 |
| Dominion .. 4½ | 1 Nov. '48-58 | 109.10 | 109.60 | 3.56▲ | 108.65 |
| Dominion .. 4½ | 1 Nov. '49-59 | 109.20 | 109.80 | 3.60▲ | 108.75 |
| ■Dominion .. 3¼ | 15 Jan. '56-61 | 98.90 | 99.50 | 3.28 | 97.50 |

### Dominion Guaranteed Bonds

| | | Bid Feb. 4 | Asked Feb. 4 | Approx. Yield | Bid Jan. 29 |
|---|---|---|---|---|---|
| *G T. P. Ry. 3 | 1 Jan. 1962 | 98.75 | 99.75 | 3.01 | 98.00 |
| Can. N. Ry. 3 | 1 May 1944 | 103.00 | 104.00 | 2.46 | 102.75 |
| Can. N. Ry. 3 | 15 Dec. '45-50 | 98.75 | 99.75 | 3.02 | 98.25 |
| *Can. N. Ry. 4½ | 1 Sept. 1951 | 112.75 | 113.75 | 3.38 | 112.00 |
| *Can. N. Ry. 4½ | 1 Feb. 1956 | 113.00 | 114.00 | 3.52 | 112.25 |
| †Can. N. Ry. 4½ | 1 July 1957 | 110.75 | 111.75 | 3.71 | 110.00 |
| *Can. N. Ry. 4¾ | 15 June 1955 | 115.75 | 116.75 | 3.56 | 115.00 |
| Can. N. Ry. 5 | 1 Feb. 1954 | 114.50 | 115.50 | 3.80 | 114.00 |
| *Can. N. Ry. 5 | 1 July 1969 | 115.75 | 116.75 | 3.24▲ | 115.25 |
| *Can. N. Ry. 5 | 1 Oct. 1969 | 117.75 | 118.75 | 3.57▲ | 117.00 |
| *M. Harb. C. 5 | 1 Nov. 1969 | 117.75 | 118.75 | 3.56▲ | 117.00 |

### Provincial Government Bonds

| | | Bid Feb. 4 | Asked Feb. 4 | Approx. Yield | Bid Jan. 29 |
|---|---|---|---|---|---|
| **Eastern—** | | | | | |
| †N. Bruns. .. 4½ | 15 Apr. 1961 | 107.25 | 108.25 | 3.98 | 107.00 |
| †N. Bruns. .. 5 | 15 Jan. 1960 | 113.00 | 114.00 | 4.08 | 113.00 |
| N. Bruns. .. 5½ | 15 May 1950 | 113.00 | 114.00 | 4.20 | 112.75 |
| N. Scotia .. 4½ | 15 May 1943 | 107.00 | 108.00 | 3.25 | 107.00 |
| †N. Scotia .. 4½ | 15 Sept. '47-52 | 108.00 | 109.00 | 3.58▲ | 108.00 |
| N. Scotia .. 4½ | 15 May 1961 | 109.00 | 110.00 | 3.88 | 109.00 |
| †N. Scotia .. 5 | 1 Mar. 1960 | 114.75 | 115.75 | 3.99 | 114.00 |
| *Ontario .... 4 | 1 June 1962 | 103.00 | 104.00 | 3.77 | 102.00 |
| *Ontario .... 4½ | 1 Sept. 1944 | 108.75 | 109.75 | 3.20 | 108.00 |
| Ontario .... 4½ | 1 June 1950 | 105.25 | 106.25 | 3.93 | 104.25 |
| *Ontario .... 4½ | 15 Jan. 1962 | 108.00 | 109.50 | 3.92 | 106.50 |
| Ontario .... 5 | 15 Oct. 1948 | 108.75 | 109.75 | 4.02 | 106.75 |
| *Ontario .... 5 | 2 Dec. 1960 | 113.50 | 115.00 | 4.04 | 113.50 |
| Ontario .... 5½ | 1 July 1946 | 110.50 | 111.50 | 4.13 | 108.00 |
| O. H. C. 3½-4-5 | 1 Oct. '33-52 | 99.75 | 100.75 | 2.37▲ | 99.00 |
| *Ont. Hyd. C. 4 | 1 Aug. 1957 | 102.50 | 103.50 | 3.76 | 101.50 |
| Ont. Hyd. C. 4¾ | 1 Jan. 1970 | 107.00 | 109.00 | 4.25 | 106.75 |
| Quebec .... 4 | 15 Mar. 1952 | 107.00 | 108.00 | 3.36 | 106.50 |
| Quebec .... 4¼ | 1 Aug. 1958 | 109.00 | 110.00 | 3.60 | 109.00 |
| Quebec .... 4½ | 2 Jan. 1963 | 110.75 | 111.75 | 3.79 | 110.50 |
| **Western—** | | | | | |
| †Alberta ... 4 | 1 Dec. 1957 | 88.50 | 90.00 | 4.74 | 88.50 |
| †Alberta ... 4½ | 1 Oct. 1956 | 91.25 | 92.25 | 5.11 | 90.00 |
| †Alberta ... 5 | 1 Jan. 1948 | 94.50 | 96.00 | 5.45 | 93.00 |
| Alberta ... 5 | 1 Sept. 1955 | 92.50 | 93.50 | 5.55 | 92.00 |
| *Alberta ... 5 | 1 Oct. 1959 | 96.00 | 96.50 | 5.26 | 93.50 |
| †Alberta ... 5½ | 1 Jan. 1947 | 96.75 | 97.75 | 5.77 | 95.50 |
| Alberta ... 6 | 1 Mar. 1947 | 96.50 | 97.50 | 6.31 | 95.00 |
| †Brit. Col. .. 4 | 1 Dec. 1957 | 95.50 | 96.50 | 4.25 | 94.00 |
| *Brit. Col. .. 4½ | 15 Jan. 1951 | 99.50 | 100.50 | 4.45 | 98.00 |
| †Brit. Col. .. 4½ | 1 Oct. 1953 | 98.50 | 99.50 | 4.54 | 97.50 |
| †Brit. Col. .. 5 | 15 Jan. 1948 | 100.50 | 101.50 | 4.83 | 100.00 |
| Brit. Col. .. 5 | 1 Sept. 1953 | 100.00 | 101.00 | 4.91 | 99.50 |
| Brit. Col. .. 5½ | 1 Feb. 1945 | 100.75 | 101.75 | 5.25 | 100.00 |
| Brit. Col. .. 6 | 15 Feb. 1947 | 101.25 | 102.25 | 5.72 | 100.50 |
| †Manitoba .. 4 | 1 Dec. 1957 | 99.50 | 100.50 | 3.97 | 99.50 |
| †Manitoba .. 4½ | 15 Dec. 1956 | 103.50 | 105.00 | 4.14 | 102.50 |
| †Manitoba .. 5 | 15 June 1954 | 107.00 | 108.50 | 4.33 | 106.00 |
| *Manitoba .. 5 | 2 Dec. 1959 | 108.50 | 110.00 | 4.33 | 107.00 |
| Manitoba .. 5½ | 1 Oct. 1955 | 107.00 | 108.00 | 4.86 | 105.50 |
| Manitoba .. 6 | 1 Apr. 1947 | 108.00 | 109.00 | 4.96 | 107.00 |
| Sask. ....... 4 | 15 Aug. 1953 | 91.00 | 92.50 | 4.61 | 91.00 |
| *Sask. ....... 4½ | 2 July 1945 | 99.50 | 101.00 | 4.37 | 97.00 |
| †Sask. ....... 4½ | 1 Oct. 1951 | 97.75 | 98.75 | 4.61 | 96.50 |
| Sask. ....... 5 | 1 Aug. 1958 | 100.00 | 101.00 | 4.92 | 99.50 |
| †Sask. ....... 5½ | 15 Nov. 1946 | 102.25 | 103.25 | 5.11 | 101.00 |
| Sask. ....... 6 | 15 Mar. 1952 | 104.50 | 105.50 | 5.49 | 104.00 |

### Municipal Bonds

| | | Bid Feb. 4 | Asked Feb. 4 | Approx. Yield | Bid Jan. 29 |
|---|---|---|---|---|---|
| †Calgary ... 5½ | 2 June 1944 | 84.00 | 88.00 | 7.43 | 83.00 |
| †Edmonton . 5½ | 1 Nov. 1945 | 86.00 | 89.00 | 7.05 | 84.00 |
| †Halifax .... 5 | 1 July 1961 | 112.50 | 113.50 | 4.14 | 112.00 |
| Hamilton .. 5 | 1 May 1950 | 105.00 | 108.00 | 4.25 | 101.50 |
| Montreal .. 5 | 1 Mar. 1945 | 105.50 | 107.50 | 4.01 | 105.50 |
| Ottawa .... 4½ | 1 July 1945 | 105.50 | 108.50 | 3.44 | 105.00 |
| †Quebec .... 5 | 1 June 1959 | 108.50 | 109.50 | 4.35 | 108.00 |
| Regina .... 5 | 1 July 1944 | 85.00 | 90.00 | 6.55 | 85.00 |
| St. John ... 5 | 15 Dec. 1950 | 107.50 | 108.50 | 4.23 | 107.00 |
| †Toronto ... 5½ | 1 Jan. 1955 | 106.00 | 109.00 | 3.83 | 105.00 |
| Vancouver . 5 | 1 June 1969 | 90.00 | 93.00 | 5.46 | 90.00 |
| Victoria ... 5 | 21 July 1945 | 95.00 | 98.00 | 5.26 | 94.00 |
| Winnipeg .. 5 | 1 Mar. 1944 | 103.00 | 106.00 | 4.12 | 102.00 |

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ●Calculated to maturity although callable prior to that date. ‡Exempt from Dominion income tax. ■Payable in N.Y.

## Mining Stock Quotations

WEEK ENDING FEBRUARY 3

| Par Val. | Range 1936 High | Low | Company | Sales | Close Jan. 25 (or last) | High for week | Low for week | Close Feb. 3 |
|---|---|---|---|---|---|---|---|---|
| 1 | .70 | .57 | Afton | 20,439 | .67 | .65 | .60 | .62 |
| No | .12 | .07 | Aldermac | 721,800 | .07½ | .12 | .07 | .11 |
| 1 | .02½ | .01½ | Alexandria | 93,100 | .01½ | .02½ | .01½ | .02½ |
| No | .60 | .53 | Algold | ...... | .59 | ..... | ..... | ..... |
| No | .05 | .03½ | Algoma | 38,500 | .04½ | .05 | .04 | .05 |
| No | 4.40 | 4.10 | Anglo-Huronian | 1,313 | 4.20 | 4.35 | 4.15 | 4.35 |
| No | .04 | .02 | Arno | 27,900 | .03½ | .04 | .03 | .03 |
| 1 | .97 | .85 | Arntfield | 5,671 | .91 | .94 | .89 | .94 |
| 1 | .25 | .14 | Ashley | 140,190 | .17 | .25 | .16 | .22 |
| 1 | .04 | .02½ | Astoria Rouyn | 37,700 | .03 | .04 | .03 | .04 |
| 1 | .11 | .05½ | Bagamac | 208,600 | .10½ | .11 | .08 | .09 |
| 1 | .05½ | .03½ | Barry Hollinger | 89,300 | .04½ | .05 | .04 | .04½ |
| 1 | .40 | .28 | Base Metals | 21,350 | .35 | .35 | .28 | .34 |
| 1 | .49 | .37 | B.E.A.R. | 4,000 | .40 | .42 | .40 | .40 |
| No | 1.83 | 1.45 | Beattie Gold | 38,781 | 1.67 | 1.83 | 1.60 | 1.79 |
| 1 | .76 | .65 | Big Missouri | 43,493 | .72½ | .74 | .70 | .71½ |
| 1 | .24 | .18 | Bobjo | 76,060 | .18½ | .21 | .18 | .21 |
| No | 7.15 | 5.55 | Bralorne | 9,738 | 6.90 | 6.90 | 6.50 | 6.70 |
| 1 | .40 | .30 | Brazil Gold | 16,050 | .37 | .36 | .30 | .34 |
| 1 | .04½ | .02 | Brett Trethewey | 33,100 | .03½ | .04½ | .03½ | .04 |
| 50c. | .12½ | .09 | B.R.X. Gold | 10,000 | .12 | .12½ | .11 | .11 |
| 1 | 5.50 | 3.80 | Buffalo Ankerite | 18,890 | 5.10 | 5.50 | 5.10 | 5.50 |
| No | .04 | .02 | Buffalo Can. | 174,600 | .03 | .04 | .03 | .03½ |
| 5 | 37.00 | 32.00 | Bulolo Gold | 2,435 | 36.50 | 37.00 | 35.50 | 36.00 |
| No | .13 | .06 | Bunker Hill | 28,442 | .12 | .12½ | .09½ | .10½ |
| 1 | .04½ | .02 | Can. Kirkland | ...... | .02 | ..... | ..... | ..... |
| No | 1.35 | 1.05 | Can. Marlartic | 72,707 | 1.15 | 1.35 | 1.15 | 1.35 |
| 1 | 1.30 | 1.15 | Cariboo Gold | 5,850 | 1.25 | 1.26 | 1.20 | 1.20 |
| 1 | .05 | .02 | Cartier Malartic | 17,200 | .05 | .04½ | .03 | .04½ |
| 1 | 1.69 | 1.24 | Castle Trethewey | 77,727 | 1.67 | 1.67 | 1.52 | 1.55 |
| 1 | .20½ | .11½ | Cen. Manitoba | 63,010 | .20 | .20 | .17 | .19 |
| 1 | 3.44 | 2.81 | Cen. Patricia | 107,030 | 3.00 | 3.44 | 3.00 | 3.40 |
| No | .63½ | .19½ | Chibougamau Pros. | 654,400 | .48 | .63½ | .47 | .59 |
| No | .04½ | .03½ | Church M. & Mill. | 4,000 | .04 | .03½ | .03½ | .03½ |
| No | .04½ | .03 | Clericy | 519,525 | .03½ | .04½ | .03 | .03½ |
| 5 | 4.00 | 3.50 | Coast Copper | 715 | 3.70 | 4.00 | 3.70 | 3.75 |
| 1 | .03 | .01½ | Cobalt Contact | 69,100 | .02½ | .03 | .02½ | .02½ |
| 5 | 3.10 | 2.80 | Coniagas | 4,500 | 2.80 | 3.05 | 2.80 | 3.05 |
| No | 2.25 | 1.80 | Coniaurum | 24,714 | 2.00 | 2.02 | 1.95 | 2.01 |
| 25 | 239.00 | 200.00 | Cons. Smelters | 2,128 | 215.00 | 239.00 | 217.00 | 238.00 |
| No | 52.00 | 41.75 | Dome Mines | 5,402 | 49.75 | 50.25 | 47.00 | 49.75 |
| 1 | .06½ | .04½ | Dom. Explorers | 8,650 | .05 | .06½ | .05 | .06 |
| 1 | .10½ | .08 | Duparquet | 73,100 | .09 | .09½ | .09 | .09½ |
| 1 | 1.25 | 1.06 | Eldorado | 11,615 | 1.22 | 1.24 | 1.16 | 1.21 |
| No | 8.60 | 6.90 | Falconbridge | 59,363 | 8.00 | 8.60 | 7.95 | 8.60 |
| 1 | .05½ | .03 | Federal | 121,400 | .04½ | .05½ | .04½ | .05½ |
| No | .35 | .23 | Francoeur Gold | 82,000 | .31½ | .35 | .28½ | .32½ |
| 1 | .08 | .05 | Franklin Gold | 458,300 | .05½ | .08 | .05 | .08 |
| No | 1.45 | 1.25 | God's Lake | 53,409 | 1.30 | 1.33 | 1.25 | 1.25 |
| 1 | .20 | .14½ | Goldale | 20,600 | .18 | .18½ | .17½ | .18 |
| 50c. | .40 | .30 | Gold Belt | 4,700 | .32 | .40 | .35 | .40 |
| 1 | .23½ | .06 | Goodfish | 189,488 | .16 | .22 | .16½ | .20½ |
| 1 | .06½ | .03 | Graham Bosquet | 45,350 | .06 | .06½ | .04½ | .05½ |
| 1 | .31 | .19 | Granada Gold | 62,511 | .20 | .31 | .21 | .26 |
| No | .08 | .05½ | Grandora | 100 | .07 | .08 | .08 | .08 |
| 1 | .35½ | .23 | Greene Stabell | 106,500 | .25 | .35½ | .24½ | .35 |
| *1 | .05 | .02½ | Grozelle | ...... | .05 | ..... | ..... | ..... |
| 1 | .09 | .09 | Grull Wihksne | ...... | .09 | ..... | ..... | ..... |
| 1 | .94 | .77 | Gunnar Gold | 30,000 | .92 | .94 | .86 | .87 |
| 1 | .05 | .02 | Halcrow Swayze | 13,100 | .04½ | .05 | .04 | .04½ |
| 1 | .24 | .30 | Hard Rock | 12,800 | .41 | .40½ | .35 | .39 |
| 1 | .10½ | .07 | Harker | 85,900 | .07 | .09½ | .07½ | .09½ |
| 5 | 17.25 | 13.75 | Hollinger | 17,481 | 16.37 | 16.62 | 15.25 | 15.75 |
| 1 | .75 | .62 | Howey Gold | 40,550 | .72 | .72 | .69 | .69½ |
| No | 28.00 | 22.87 | Hudson Bay | 9,333 | 25.50 | 28.00 | 25.50 | 28.00 |
| 1 | 14.00 | 11.50 | Inter. Mining | 460 | 11.50 | 14.00 | 14.00 | 14.00 |
| 1 | 4.10 | 4.10 | Do., Pur. Warr. | ...... | 4.10 | | | |
| No | 49.75 | 44.12 | Int. Nickel | 70,514 | 48.50 | 49.75 | 48.00 | 48.50 |
| 1 | .58 | .28½ | J. M. Cons. Gold | 399,195 | .37½ | .58 | .37½ | .52 |
| 1 | .50 | .40 | Kerr Lake | 600 | .40 | .50 | .50 | .50 |
| 1 | .55 | .30 | Kirk. Hud. Bay | 13,650 | .48 | .55 | .45 | .55 |
| 1 | .58 | .48½ | Kirkland Lake | 97,600 | .51 | .53 | .50 | .52½ |
| 1 | .03½ | .03½ | Kirk. Premier | ...... | .03½ | ..... | ..... | ..... |
| 1 | .22 | .14½ | Kirk. Townsite | 9,500 | .15½ | .22 | .15½ | .22 |
| No | .06½ | .03 | Lake Maron | 149,400 | .04½ | .06½ | .04 | .05½ |
| 1 | 59.12 | 51.75 | Lake Shore | 7,950 | 56.87 | 58.00 | 56.00 | 58.00 |
| 1 | .11 | .05 | Lamaque Contact | 154,750 | .10 | .11 | .09 | .09½ |
| 1 | .23 | .12 | Lebel Oro | 227,818 | .19 | .23 | .17½ | .18 |
| 1 | .04½ | .02½ | Lee Gold | 98,800 | .03½ | .04½ | .03½ | .04½ |
| No | 7.75 | 6.50 | Little Long Lac | 26,705 | 7.45 | 7.75 | 7.30 | 7.60 |
| 1 | 4.60 | 3.12 | Macassa | 94,670 | 3.95 | 4.60 | 3.90 | 4.55 |
| 1 | .05½ | .01½ | Malrobic | 383,800 | .04 | .04½ | .03 | .03½ |
| No | .20 | .12 | Mandy | 23,700 | .14 | .20 | .13 | .20 |
| No | .10½ | .05½ | Man. & Eastern | 126,700 | .10 | .10½ | .09 | .09½ |
| 1 | .13½ | .05½ | Maple Leaf | 151,775 | .07½ | .13½ | .08 | .10 |
| 5 | 49.25 | 40.75 | McIntyre | 6,109 | 47.50 | 47.62 | 45.00 | 47.12 |
| 1 | 1.62 | 1.39 | McKenzie R.L. | 54,480 | 1.55 | 1.62 | 1.53 | 1.57 |
| 1 | .56 | .50 | McKinley | 25 | .55 | .50 | .50 | .50 |
| 1 | .10 | .02½ | McMillan | 200,700 | .05½ | .10 | .05½ | .10 |
| No | 1.65 | 1.41 | McWatters | 53,025 | 1.52 | 1.60 | 1.45 | 1.46 |
| 1 | .42 | .21 | McVittie | 165,895 | .27½ | .42 | .28 | .39 |
| No | 1.50 | 1.25 | Mining Corp. | 3,825 | 1.45 | 1.50 | 1.40 | 1.45 |
| No | .11 | .07½ | Minto Mines | ...... | .07½ | ..... | ..... | ..... |
| . | .08 | .06 | Moffatt Hall | 14,000 | ..... | .08 | .06 | .07½ |
| 1 | .10 | .06½ | Moneta | 2,900 | .09 | .10 | .09 | .10 |
| 1 | .68 | .58 | Morris Kirkland | 26,800 | .66 | .68 | .64 | .68 |
| 1 | .03 | .00½ | Murphy | 259,000 | .01½ | .03 | .01½ | .03 |
| No | .03 | .02 | Newbec | 34,700 | .02½ | .03 | .02½ | .02½ |
| 1 | .02½ | .01½ | Night-Hawk Penn. | 137,000 | .02½ | .02½ | .01½ | .02 |
| 5 | 3.05 | 2.45 | Nipissing | 18,472 | 2.90 | 3.05 | 2.89 | 3.00 |
| No | 49.50 | 44.50 | Noranda | 14,687 | 48.75 | 49.25 | 47.75 | 48.00 |
| No | .35 | .28½ | Nor. Canada | 20,800 | .30 | .35 | .28½ | .34½ |
| 1 | .70 | .34 | O'Brien | 52,410 | .36 | .70 | .35 | .60 |
| 1 | .08 | .07 | Osisko | 2,000 | .08 | .08 | .08 | .08 |
| No | 4.85 | 3.70 | Pamour | 28,347 | 4.55 | 4.85 | 4.50 | 4.65 |
| 1 | .28 | .18½ | Parkhill | 70,350 | .23 | .26 | .21 | .25 |
| 1 | .04 | .02½ | Pawnee Kirk. | 96,400 | .03 | .04 | .03 | .03½ |
| 1 | .84 | .50½ | Paymaster | 685,274 | .72 | .84 | .71 | .80 |
| 1 | 1.17 | 1.00 | Pend Oreille | 10,440 | 1.15 | 1.17 | 1.09 | 1.10 |
| 1 | 1.60 | 1.12 | Perron Gold | 96,842 | 1.40 | 1.60 | 1.40 | 1.60 |
| 1 | .04½ | .02½ | Peterson Cobalt | 82,000 | .03½ | .04½ | .03 | .03½ |
| 1 | 5.00 | 4.10 | Pickle Crow | 147,173 | 4.70 | 5.00 | 4.67 | 4.85 |
| 1 | 12.00 | 9.60 | Pioneer Gold B.C. | 6,160 | 11.85 | 12.00 | 10.85 | 11.05 |
| 1 | .08 | .04 | Porcupine Crown | 265,651 | .06½ | .08 | .06 | .08 |
| 1 | 1.95 | 1.80 | Premier Gold | 10,910 | 1.85 | 1.95 | 1.85 | 1.90 |
| 1 | .05½ | .02½ | Preston E. Dome | 324,200 | .03½ | .05½ | .03½ | .04½ |
| No | 3.25 | 2.65 | Prospectors Air's | 5,535 | 2.75 | 2.95 | 2.70 | 2.95 |
| 1 | 1.34 | 1.00 | Quebec Gold | 45,450 | 1.20 | 1.34 | 1.22 | 1.30 |
| No | .07½ | .04 | Quemont | 2,440 | .06 | .06 | .04 | .06 |
| 1 | 1.95 | 1.43 | Read Authier | 35,899 | 1.95 | 1.95 | 1.78 | 1.87 |
| No | .94 | .50 | Red Lake | 219,131 | .76 | .94 | .75 | .92 |
| 1 | 1.18 | 1.01 | Reno Gold | 34,850 | 1.13 | 1.17 | 1.12 | 1.15 |
| 1 | .03½ | .01 | Ritchie | 201,600 | .02½ | .03½ | .02½ | .03½ |
| 1 | .07 | .05½ | Robb Montbray | 97,450 | .06½ | .07 | .06½ | .07 |
| 1 | .08½ | .05½ | Roche Long Lac | 132,700 | .07½ | .08½ | .06½ | .07½ |
| 1 | 3.45 | 2.98 | San Antonio | 30,910 | 3.25 | 3.25 | 3.12 | 3.15 |
| 50c. | .72 | .56 | Sheep Creek | 5,900 | .70 | .70 | .66 | .68 |
| 1 | 1.15 | 1.00 | Sherritt Gordon | 38,645 | 1.10 | 1.12 | 1.05 | 1.10 |
| 1 | 2.40 | 2.90 | Siscoe | 48,645 | 3.24 | 3.30 | 3.23 | 3.30 |
| 1 | 6.25 | 4.40 | South Amer. Gold | 100 | 5.90 | 6.25 | 6.25 | 6.25 |
| No | .07 | .04 | South Tiblemont | 108,600 | .05½ | .06 | .05 | .05½ |
| No | .29½ | .18½ | Stadacona | 500,983 | .21½ | .29½ | .25 | .28 |
| 1 | .37 | .18 | St. Anthony | 207,315 | .21½ | .37 | .20½ | .36 |
| No | 4.25 | 3.00 | Sudbury Basin | 59,055 | 3.70 | 4.25 | 3.60 | 4.20 |
| 1 | .08 | .06 | Sudbury Contact | 12,800 | .06½ | .08 | .06½ | .07½ |
| 1 | .04½ | .03½ | Sudbury Mines | 89,900 | .04½ | .04½ | .04 | .04½ |
| 1 | 1.12 | .87 | Sullivan Cons. | 98,287 | 1.04 | 1.12 | 1.02 | 1.10 |
| 1 | 2.80 | 2.45 | Sylvanite | 67,478 | 2.50 | 2.80 | 2.56 | 2.79 |
| 1 | .42 | .28 | Tashota | 17,650 | .37 | .38 | .35 | .35 |
| 1 | 5.40 | 4.83 | Teck Hughes | 26,815 | 5.30 | 5.30 | 5.00 | 5.10 |
| 1 | .04 | .02 | Timiskaming | 8,000 | .03 | .04 | .03½ | .04 |
| 1 | 1.36 | 1.20 | Toburn Gold | 2,135 | 1.30 | 1.35 | 1.25 | 1.31 |
| 1 | .35 | .20 | Towagmac | 63,733 | .23 | .35 | .20 | .33 |
| 1 | .35 | .30 | Treadwell | 100 | .20 | .30 | .30 | .30 |
| No | 2.09 | 1.60 | Ventures | 251,698 | 1.75 | 2.09 | 1.72 | 2.05 |
| No | 1.30 | 1.00 | Waite Amulet | 5,079 | 1.13 | 1.15 | 1.05 | 1.15 |
| 50c. | .19½ | .16 | Wayside | 85,900 | .16½ | .19 | .16 | .17 |
| No | .04 | .03 | White Eagle | 34,000 | .03½ | .03½ | .03 | .03½ |
| 1 | .06½ | .03 | Whitney Coughlan | 37,200 | .05½ | .06½ | .04½ | .06½ |
| 1 | .06 | .04 | Wood Kirkland | 14,100 | .05 | .06 | .05 | .05 |
| No | 8.85 | 7.75 | Wright-Hargreaves | 18,560 | 8.65 | 8.60 | 8.00 | 8.40 |
| No | .71 | .41 | Ymir Girl | 8,700 | .64 | .64 | .60 | .61 |
| | | | **OIL STOCKS** | | | | | |
| No | .18½ | .14½ | Acme Gas & Oil | 36,800 | .15 | .18½ | .15 | .17½ |
| 1 | .70 | .50 | Ajax | 15,750 | .52 | .70 | .50 | .66 |
| No | .92 | .65 | Calgary & Ed. | 12,825 | .73 | .92 | .73 | .92 |
| 1 | .09 | .05 | Calmont | 1,000 | .07½ | .07½ | .07½ | .07½ |
| No | .06 | .04½ | Common Pete | 2,000 | .05 | .05½ | .05½ | .05½ |
| No | .57 | .40 | Dalhousie | 12,083 | .46 | .52 | .45 | .49 |
| No | .09 | .06 | East Crest | 4,500 | .06½ | .08½ | .06½ | .08 |
| No | .65 | .50 | Foothills | 130 | .50 | .50 | .50 | .50 |
| No | .13 | .13 | High Sarcee | ...... | .13 | ..... | ..... | ..... |
| No | .90 | .70 | Home | 10,415 | .73 | .80 | .70 | .78 |
| 1 | .21½ | .11 | Homestead O. & G. | 169,450 | .14 | .21½ | .14½ | .21 |
| No | .09 | .09 | Lowery | 500 | .05 | .09 | .09 | .09 |
| No | .15½ | .13 | Merland | 3,100 | .15 | .15 | .15 | .15 |
| 5 | .21 | .15 | Nordon | 13,700 | .19½ | .19½ | .16½ | .17 |
| No | .07 | .04½ | Oil Selections | 29,200 | .06½ | .06½ | .06 | .06 |
| No | .07½ | .04½ | Olga Gas & Oil | 324,700 | .06½ | .07½ | .06½ | .07 |
| 1 | .70 | .55 | Petrol Oil & Gas | 5,360 | .60 | .70 | .60 | .70 |
| No | 33.25 | 29.00 | Royalite | 8,200 | 32.00 | 33.25 | 31.50 | 32.87 |
| *No | .12 | .04 | South West Pete. | ...... | .08 | ..... | ..... | ..... |
| No | 3.50 | 1.63 | Texas Can. | 71,869 | 2.45 | 3.50 | 2.50 | 3.40 |

### VANCOUVER STOCK EXCHANGE

(Transaction for Week to January 31.)

| Par Val. | Range 1936 High | Low | Company | Sales | Close Jan. 24 (or last) | High for week | Low for week | Close Jan. 31 |
|---|---|---|---|---|---|---|---|---|
| 1 | .01½ | .01½ | Alexandria | ...... | .01½ | ..... | ..... | ..... |
| 25c. | .01½ | .00½ | Bayview | ...... | .00½ | ..... | ..... | ..... |
| 20c. | .04 | .03 | Beaver Silver | 5,400 | .03½ | .03½ | .03 | .03 |
| 25c. | .01 | .01 | Bluebird | ...... | .01 | ..... | ..... | ..... |
| No | 7.10 | 5.60 | Bralorne | 5,525 | 7.00 | 6.90 | 6.70 | 6.80 |
| 1 | .04½ | .03½ | Bridge River Cons. | 2,000 | .04 | .04 | .03½ | .04 |
| 50c. | .12 | .08½ | B.R.X. Gold | 3,100 | .12 | .12 | .11½ | .12 |
| 1 | .23 | .17½ | B.C. Nickel | 22,000 | .18 | .19 | .17½ | .18½ |
| 1 | 1.60 | 1.50 | B.C. Silver | 617 | 1.60 | 1.60 | 1.50 | 1.50 |
| *10 | 43.00 | 43.00 | Bunker H. Sullivan | ...... | 43.00 | ..... | ..... | ..... |
| 50c. | .05 | .04 | Canadian Rand | 5,000 | .04½ | .05 | .05 | .05 |
| 1 | 1.27 | 1.15 | Cariboo Gold | 3,230 | 1.25 | 1.25 | 1.15 | 1.22 |
| 1 | .18 | .14 | Congress Gold | 6,900 | .15½ | .15½ | .14 | .14 |
| *25c. | .00½ | .00½ | Cork Province | ...... | .00½ | ..... | ..... | ..... |
| 1 | .04 | .02½ | Cotton Belt | ...... | .04 | ..... | ..... | ..... |
| *1 | .01½ | .00½ | Dalhousie Mines | ...... | .01 | ..... | ..... | ..... |
| No | .36 | .23 | Dentonia | 43,750 | .25½ | .28 | .23 | .26 |
| No | .04½ | .02 | Dictator | 12,000 | .04 | .04 | .03½ | .04 |
| 1 | .04½ | .03½ | Dunwell | 500 | .03½ | .04 | .04 | .04 |
| No | .08 | .05 | Fairview Amal. | 4,400 | .05 | .05 | .05 | .05 |
| 50c. | .42 | .35 | Fawn Mining | 9,000 | .42 | .37 | .35 | .35 |
| 1 | .10½ | .05 | Federal Gold | 9,000 | .06 | .06½ | .05 | .05 |
| 1 | .25 | .20 | George Copper | 250 | .25 | .21 | .20 | .20 |
| 50c. | .05½ | .05 | George Enterprise | ...... | .05 | ..... | ..... | ..... |
| 1 | .01½ | .01½ | Georgia River | 10,500 | .01½ | .01½ | .01½ | .01½ |
| 1 | .16½ | .11 | Golconda | 3,800 | .15 | .16½ | .15 | .15 |
| 50c. | .39 | .29 | Gold Belt | 15,035 | .32 | .39 | .30 | .39 |
| 50c. | .07½ | .05 | Gold Mountain | 8,000 | .05 | .05 | .05 | .05 |
| 50c. | .03½ | .02½ | Grandview | 6,250 | .03½ | .03½ | .03 | .03 |
| No | .04½ | .02 | Grange Mines | 27,800 | .03½ | .03½ | .03 | .03½ |
| 1 | .10½ | .09 | Grull Wihksne | 1,900 | .09 | .09½ | .09 | .09½ |
| 25c. | 13.50 | 13.00 | Hecla | ...... | 13.00 | ..... | ..... | ..... |
| No | .03 | .03 | Haida Gold | 400 | .03 | .03 | .03 | .03 |
| 50c. | .27 | .25 | Hedley Amal. | 15,900 | .25 | .26 | .25 | .25 |
| *No | .12 | .04 | Hedley Sterling | ...... | .05 | ..... | ..... | ..... |
| *1 | .02 | .01 | Hercules Cons. | ...... | .01 | ..... | ..... | ..... |
| No | .03½ | .03 | Home Gold | 10,100 | .03½ | .03½ | .03 | .03 |
| 1 | .00¾ | .00½ | Independence | 3,600 | .00½ | .00¾ | .00½ | .00½ |
| 1 | .02½ | .02½ | Indian Gold | ...... | .02½ | ..... | ..... | ..... |
| 50c. | 1.40 | .95 | Island Mountain | 6,575 | 1.30 | 1.38 | 1.30 | 1.33 |
| 1 | .20 | .18 | Inter'tl Coal | 1,000 | .20 | .19 | .19 | .19 |
| 50c. | .46 | .35½ | Kootenay Belle | 7,300 | .39 | .39 | .35½ | .35½ |
| *20c. | .01½ | .00½ | Kootenay Florence | ...... | .00½ | ..... | ..... | ..... |
| *25c. | .01½ | .00½ | Lakeview | ...... | .00½ | ..... | ..... | ..... |
| 10c. | .01½ | .01½ | Lucky Jim | ...... | .01½ | ..... | ..... | ..... |
| No | .14½ | .08½ | Mak Siccar | 33,400 | .09 | .14½ | .09½ | .11 |
| *50c. | .00½ | .00½ | Marmot Metals | ...... | .00½ | ..... | ..... | ..... |
| 1 | .15 | .15 | McGillivray Creek | ...... | .15 | ..... | ..... | ..... |
| 50c. | .13 | .07½ | Meridian Min. | 13,700 | .12½ | .13 | .12½ | .12½ |
| No | .12 | .07 | Minto Mines | 23,900 | .07½ | .09 | .07½ | .08 |
| No | .03½ | .02½ | Morning Star | 23,500 | .03 | .03 | .02½ | .02½ |
| 1 | .00½ | .00½ | Morton Woolsey | ...... | .00½ | ..... | ..... | ..... |
| 25c. | .03 | .02 | National Silver | 21,700 | .02½ | .02½ | .02 | .02½ |
| 50c. | .12 | .10 | Nicola | 17,300 | .10½ | .10½ | .10 | .10½ |
| 50c. | .04½ | .03½ | Noble Five | 16,300 | .04 | .04½ | .04 | .04½ |
| No | .03½ | .02 | Pilot Gold | 8,000 | .03 | .03½ | .03 | .03 |
| 1 | 11.85 | 9.60 | Pioneer Gold | 2,255 | 11.75 | 11.85 | 10.90 | 11.25 |
| 50c. | .05 | .04½ | Porter Idaho | 1,000 | .04½ | .04½ | .04½ | .04½ |
| No | .00½ | .00½ | Premier Border | 4,500 | .00½ | .00½ | .00½ | .00½ |
| *1 | .02½ | .01½ | Quatsino Copper | ...... | .01½ | ..... | ..... | ..... |
| 25c. | .05 | .05 | Quesnelle Quartz | ...... | .05 | ..... | ..... | ..... |
| No | .10 | .08 | Reeves McDonald | ...... | .08 | ..... | ..... | ..... |
| 1 | .43½ | .36 | Relief Arlington | 16,100 | .40 | .43 | .41 | .43½ |
| 1 | 1.16 | 1.00 | Reno Gold | 11,850 | 1.14 | 1.16 | 1.12 | 1.15 |
| 1 | .02½ | .02 | Reward Mining | 2,000 | .02 | .02½ | .02 | .02½ |
| *1 | .01½ | .00½ | Rufus Argenta | ...... | .00½ | ..... | ..... | ..... |
| 1 | .01½ | .01½ | Ruth Hope | ...... | .01½ | ..... | ..... | ..... |
| 1 | .15 | .12 | Sally Mines | 3,200 | .13 | .14 | .12½ | .12½ |
| 50c. | .13½ | .10 | Salmon Gold | 3,000 | .12 | .11 | .10 | .10 |
| 50c. | .72 | .55 | Sheep Creek | 14,700 | .71 | .70 | .67 | .68 |
| *1 | .05 | .02 | Silverado | ...... | .03 | ..... | ..... | ..... |
| 25c. | .00½ | .00½ | Silvercrest | ...... | .00½ | ..... | ..... | ..... |
| 20c. | .01½ | .01½ | Silversmith | 8,000 | .01½ | .01½ | .01½ | .01½ |
| 50c. | .00½ | .00½ | Snowflake | ...... | .00½ | ..... | ..... | ..... |
| 1 | .54 | .45 | Standard Silver | 1,500 | .51 | .51 | .49 | .49 |
| 10 | 24.25 | 24.25 | Sunshine | ...... | 24.25 | ..... | ..... | ..... |
| No | .15 | .12 | Toy or Bridge | 3,800 | .12 | .13 | .13 | .12½ |
| 1 | .11 | .09 | Taylor Windfall | 4,000 | .10 | .10 | .09 | .09 |
| *5 | .35 | .15 | Toric | ...... | .15 | ..... | ..... | ..... |
| 50c. | .02 | .02 | United Empire | 4,000 | .02 | .02 | .02 | .02 |
| No | .90 | .65 | Vidette Gold | 23,150 | .66 | .90 | .69 | .85 |
| No | .00½ | .00½ | Viking Gold | 2,000 | .00½ | .00½ | .00½ | .00½ |
| No | .01½ | .01 | Waterloo Gold | ...... | .01 | ..... | ..... | ..... |
| 25c. | .00½ | .00½ | Waverley Tangier | 27,500 | .00½ | .00½ | .00½ | .00½ |
| 50c. | .19½ | .15½ | Wayside | 10,650 | .16 | .17½ | .15½ | .17 |
| 20c. | .01½ | .01½ | Wellington | 21,000 | .01½ | .01½ | .01½ | .01½ |
| No | .09½ | .02 | White Eagle | ...... | .02 | ..... | ..... | ..... |
| 1 | .05½ | .04½ | Whitewater | ...... | .04½ | ..... | ..... | ..... |
| No | .69 | .42 | Ymir Yankee Girl | 2,100 | .65 | .63 | .57 | .60 |
| | | | **OIL STOCKS** | | | | | |
| 1 | .12 | .09 | Alta. Pac. Cons. | 5,202 | .11½ | .11½ | .10 | .11½ |
| 1 | .05½ | .05 | Amalgamated | 800 | .05½ | .05½ | .05½ | .05½ |
| *1 | .04 | .00½ | Anaconda | ...... | .02½ | ..... | ..... | ..... |
| No | .03 | .02 | Baltac | ...... | .02 | ..... | ..... | ..... |
| *1 | .10 | .05 | Brit. Dominion | ...... | .10 | ..... | ..... | ..... |
| 1 | .06 | .05 | Crow's Nest | 9,600 | .05½ | .05½ | .05½ | .05½ |
| *No | .04 | .01 | Devenish | ...... | .03 | ..... | ..... | ..... |
| No | .12½ | .08 | Freehold | 2,700 | .09½ | .10 | .08 | .08 |
| No | .05 | .04½ | Hargal | 4,200 | .05 | .05 | .05 | .05 |
| No | .13½ | .12 | High Sarcee | ...... | .13½ | ..... | ..... | ..... |
| No | .01½ | .01 | Madison | 1,000 | .01½ | .01 | .01 | .01 |
| No | .14 | .11½ | Marjon Oil | 4,500 | .12 | .12½ | .11½ | .11½ |
| No | .00½ | .05 | McD. Segur Ex. | 100 | .06 | .05½ | .05½ | .05½ |
| . | .25 | .20 | McLeod new | ...... | .21 | ..... | ..... | ..... |
| No | .14½ | .12 | Mercury | 8,300 | .13 | .14 | .13½ | .14 |
| No | .15 | .12½ | Mill City Pete | ...... | .15 | ..... | ..... | ..... |
| 1 | .24 | .20½ | Model | ...... | .20½ | ..... | ..... | ..... |
| No | .05 | .04 | Okalta | ...... | .05 | ..... | ..... | ..... |
| No | .06 | .04½ | Pacalta Oil | 8,800 | .05 | .05½ | .04½ | .05½ |
| 1 | .69 | .52 | Ranchmen's | 5,500 | .57 | .65 | .53 | .61 |
| *No | .01 | .01 | Richfield | ...... | .01 | ..... | ..... | ..... |
| 1 | .25 | .18 | Spooner | 60 | .25 | .18 | .18 | .18 |
| No | .07 | .05½ | United | 2,800 | .06 | .06½ | .05½ | .05½ |
| No | .05½ | .05 | Vanalta | 2,100 | .05 | .05 | .05 | .05 |
| *1 | .07 | .06 | Vulcan | ...... | .05 | ..... | ..... | ..... |
| 1 | .07 | .04 | Wellington Oil | ...... | .07 | ..... | ..... | ..... |

*Quotations for 1935. No sales recorded in 1936 to date.

## Corporation Bonds

(Furnished by Toronto Bond Traders Association)

February 4, 1936

| Public Utility Issues: | Int. Rate % | Due | Bid Feb. 4 | Asked | Bid Jan. 27 |
|---|---|---|---|---|---|
| ‡Avalon 'Phone. | 5½ | '48 | 101 | ... | 101 |
| Beauharnois .. | 5½ | '73 | 79½ | 82½ | 80½ |
| Beauharnois .. | 5 | '73 | 24½ | 27½ | 27½ |
| *Bell T'phone .. | 5 | '55 | 115 | 118 | 115 |
| †B. C. Power ... | 5 | '60 | 103½ | 106 | 102½ |
| †Do. ......... | 5½ | '60 | 104½ | 107 | 104 |
| †B. C. T'phone.. | 5 | '60 | 106½ | 109 | 106 |
| †Calgary Pwr. .. | 5 | '60 | 100 | 103 | 100 |
| Do. ......... | 5 | '64 | 98 | 101 | 98½ |
| †Can. Nor. Pr. .. | 5 | '53 | 102½ | 105 | 102½ |
| Dom. Gas ..... | 6½ | '45 | 89 | 92 | 86 |
| §Duke-Price Pr. | 6 | '66 | 104½ | 106½ | 104½ |
| *Gatineau Pwr.. | 5 | '56 | 94 | 97 | 92½ |
| *Do., A ...... | 6 | '41 | 84½ | 87½ | 81½ |
| *Int'l. Hydro ... | 6 | '44 | 49 | 52 | 48 |
| †Maclaren-Que.. | 5½ | '61 | 81½ | 84½ | 80 |
| Do. ......... | 5½ | '64 | 80 | 83 | 78½ |
| *Manitoba Pwr. | 5½ | '51 | 77½ | 80½ | 77 |
| †Mtl. Island Pr.. | 5½ | '57 | 104 | 107 | 104½ |
| Montreal Pwr.. | 3½ | '56 | 98½ | 100½ | 98½ |
| †Montr'l Tram.. | 5 | '55 | 85 | 88 | 86 |
| †Do. ......... | 5 | '41 | 102 | 105 | 102½ |
| Nat'l. L. & P. . | 6 | '49 | 98½ | 101½ | 97½ |
| †N. S. L. & Pr... | 5 | '58 | 104 | ... | 103½ |
| †Ottawa Light.. | 5 | '57 | 105 | 108 | 105½ |
| †Ottawa Val. Pr. | 5½ | '70 | 89½ | 92½ | 87 |
| †Power Corp. .. | 4½ | '50 | 93½ | 96½ | 93½ |
| *Quebec Pwr. .. | 5 | '68 | 105½ | 108 | ... |
| †Shawinigan ... | 4½ | '70 | 102½ | 105 | 102½ |
| †Do. ......... | 5 | '70 | 105½ | 108½ | 105½ |
| †S. Canada Pr.. | 5 | '55 | 104 | 107 | 104 |
| †United Secs. .. | 5½ | '52 | 79 | 82 | 81 |
| †W. Koot. Pwr.. | 5 | '56 | 106½ | ... | 106 |
| †Western Pwr... | 5 | '49 | 105 | ... | 105 |
| *Winnipeg Elec. | 6 | '54 | 79 | 82 | 78 |
| **Industrial and Realty Issues:** | | | | | |
| Abitibi Pwr. .. | 5 | '53 | 44 | 47 | 42 |
| †Acadia Sugar.. | 4½ | '55 | 101 | ... | 101 |
| †Alta. P. Grain. | 6 | '46 | 99½ | 102½ | 98½ |
| ‡Asbestos Corp. | 6 | '41 | 98½ | 101½ | 98½ |
| B. A. Oil ..... | 5 | '45 | 106 | 109 | 106 |
| Do. ......... | 4 | '45 | 102 | 105 | 102 |
| †B. C. Pulp & P. | 6 | '50 | 84 | 87 | 84 |
| Burns & Co. .. | 5½ | '48 | 93 | ... | 91½ |
| Can. Biscuit .. | 6½ | '46 | 24 | 27 | 25 |
| Canada Bread.. | 6 | '41 | 108 | ... | 107½ |
| †Can. Cement .. | 5½ | '47 | 105½ | 108 | 105½ |
| ‡Can. Ss. Lines. | 5 | '43 | 102 | ... | 102 |
| Do. ......... | 6 | '41 | 63 | 66 | 58 |
| †Can. Canners.. | 6 | '50 | 105½ | ... | 105½ |
| *Can. Int. Pap.. | 6 | '49 | 87 | 90 | 87 |
| C. P. R. ...... | 4½ | 44 | 99 | 102 | 99½ |
| Do. ......... | 4 | '49 | 99 | 102 | 99½ |
| Can. Rail & H. | 6½ | '51 | 49½ | 52½ | 49½ |
| †Can. Vickers .. | 6 | '47 | 92 | 95 | 90½ |
| Cons. Paper .. | 5½ | '61 | 31 | 34 | 31 |
| †Dom. Canners. | 6 | '40 | 109 | ... | 109 |
| Dom. Sq. Corp. | 6 | '48 | 59½ | ... | 59 |
| †Dominion Tar.. | 6 | '49 | 103 | ... | 103 |
| †Donnacona P... | 5½ | '48 | 74½ | 77½ | 68 |
| †East. Dairies .. | 6 | '49 | 87 | 90 | 85½ |
| †Fam. Players.. | 6 | '48 | 104 | 106 | 104 |
| †Do. ......... | 6½ | '48 | 102 | 104 | 102 |
| †Federal Grain . | 6 | '49 | 100 | 103 | 99½ |
| Fraser Cos.● .. | 6 | '50 | 95½ | 98½ | 93½ |
| Do.▲ ........ | 6 | '50 | 90 | ... | 87½ |
| †G. Steel Wares. | 6 | '52 | 101½ | 104 | 102 |
| Gt. Lakes Pap. | 6 | '50 | 42½ | 45½ | 43 |
| †Gypsum, Lime. | 5½ | '48 | 94½ | 97½ | 96 |
| Ham. Cottons.. | 5½ | '48 | 101½ | ... | 101½ |
| *Ham. By-Prod. | 5 | '55 | 98½ | 101 | 98½ |
| *Hinde & Dauch | 5½ | '48 | 102 | ... | 102 |
| †I. P. & P. Nfld. | 5 | '68 | 102½ | ... | 102½ |
| Int. City Bak... | 5½ | '48 | 102½ | ... | 102½ |
| Kingston Elev. | 6 | '50 | 97 | 100 | 97 |
| Lake St. John. | 6½ | '47 | 90 | 93 | 94 |
| London Rlty... | 6 | '50 | 92 | ... | 91 |
| †Massey-Harris . | 5 | '47 | 91½ | 94½ | 91½ |
| McColl-Front. . | 6 | '49 | 105 | 107 | 105 |
| M. & O. Paper. | 6 | '45 | 31 | 34 | 31 |
| Mtl. Dry Docks | 6 | '48 | 82½ | ... | 81 |
| N. Ont. Bldg. .. | 6½ | '39 | 96 | ... | ... |
| Price Bros. bds. | 6 | '43 | 95 | ... | 95 |
| *Prov. Paper ... | 5½ | '47 | 101½ | ... | 101½ |
| Queen's Hotel . | 6 | '47 | 90 | ... | 87 |
| *Reliance Gr. .. | 6 | '48 | 101½ | 104½ | 102 |
| Richmond-Bay. | 6½ | '47 | 96 | ... | 96 |
| ‡Riordon Pulp .. | 6 | '42 | 104 | ... | 104 |
| †Rolland Paper. | 5½ | '48 | 104½ | ... | 104 |
| Ruddy & Co... | 6½ | '48 | 99½ | ... | 99½ |
| †Simpsons Ltd. . | 6 | '49 | 105 | ... | 104½ |
| Do. ......... | 5½ | '49 | 102 | ... | 102 |
| †Smith, How'd.. | 5½ | '53 | 104½ | 107 | 104½ |
| ‡Steel of Can. .. | 6 | '40 | 112 | ... | 112 |
| Stop & Shop .. | 6 | '47 | 56½ | ... | 55½ |
| United Corpns. | 5 | '53 | 90½ | 93½ | 90½ |
| United Grain .. | 5 | '48 | 100 | 103 | 99 |
| Do. ......... | 5½ | '49 | 102 | 105 | 101 |
| Western Grain. | 6 | '49 | 87½ | ... | 86 |
| Zimmerknit .. | 6 | '51 | 95 | ... | 95 |

‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. §Payable in U. S. only. *Payable in Can. or U. S. ●Unstamped. ▲Stamped.

## Unlisted Mines

February 4, 1936

| | Bid | Asked |
|---|---|---|
| Arntfield Syndicate | .85 | .90 |
| Argosy | .84 | .87 |
| Athona (Gt. B. L.) | .50 | .52 |
| Athabaska Portal | .27 | .30 |
| Bidgood Kirkland | .73 | .75 |
| Bankfield Gold | .50 | .52 |
| Bathurst | .01 | .01½ |
| Bosquet Gold | .11 | .12 |
| Can. Pandora | .07 | .08 |
| Can. Kirkland | .03½ | .04½ |
| Casey Summit | .20 | .22 |
| Canusa Mining | .. | .09 |
| Casey Contact | .02 | .03 |
| Central Porcupine | .20 | .22 |
| Cons. Chib. Free | 2.70 | 2.75 |
| Cons. Chib. Pool | 2.60 | 2.70 |
| Corless Patricia | .51 | .53 |
| Cuniptau | .26½ | .28 |
| El Bonanza | .09 | .10 |
| East Malartic | .34 | .36 |
| Forty-Four Gold | 4.00 | 4.35 |
| Glenora Gold | .14½ | .15 |
| Galatea | .06½ | .07½ |
| Goldside | .03 | .04 |
| Gold Eagle | .25 | .27 |
| Greenlaw | .05 | .06 |
| Hudson Patricia | .22 | .24 |
| Jellicoe | .09½ | .10½ |
| Johnson Nipigon | .. | .. |
| Jowsey | .. | .32 |
| Kaw Crow | .24 | .26 |
| Kirk. Gold Belt | .08 | .10 |
| Knee Lake | .. | .03 |
| Lafayette L. Lac | .03½ | .04½ |
| La Palme | .45 | .. |
| La Roche | .29 | .31 |
| Long Lac Lagoon | .04½ | .05½ |
| Lamaque Gold | 3.75 | 3.85 |
| Leitch Gold | .39 | .41 |
| Madsen Red L. | .33 | .35 |
| MacL. Cockshutt | .06½ | .08 |
| Magnet Lake | .04 | .05 |
| Marbuan | .88 | .92 |
| Matachewan Can. | .18 | .20 |
| Murmac | .08 | .09 |
| McCarthy Webb | .09 | .10 |
| Mosher | .. | .03 |
| North Shores | .04 | .06 |
| Norlake | .58 | .61 |
| Oklend | .29 | .31 |
| O'Leary | .08 | .09 |
| Omega | .70 | .73 |
| Opemiska | 1.80 | 1.85 |
| Pascalis | .. | .24 |
| Proprietary M. | .50 | .52 |
| Phoenix | .30 | .35 |
| Rice Lake | .06½ | .07½ |
| Shawkey | .82 | .84 |
| Shinin Tree | .32 | .34 |
| Sladen | .41 | .43 |
| Slave Lake | .70 | .75 |
| Smelter Gold | .05½ | .06½ |
| South Keora | .09½ | .10 |
| Smith Cobalt | .. | .05 |
| Springer | .08½ | .10 |
| Straw L. Beach | .08½ | .10 |
| Sturgeon R. Gold | .59 | .61 |
| Wells Long Lac | .07 | .08 |
| Wingold | .13½ | .14½ |
| Wendigo | .14 | .16 |
| Young Davidson | .24 | .26 |

## Winnipeg Stocks

(Transactions from Jan. 25 to Feb. 1)

| | Sales | High for period | Low for period | Close Feb. 1 |
|---|---|---|---|---|
| Bailor Gold | 27,000 | .04 | .01½ | .03½ |
| Do., Units | 85 | .50 | .50 | .50 |
| Beaver Lumb. c. | 75 | 2½ | 2½ | 2½ |
| Can. Rand | 500 | .05 | .05 | .05 |
| Dom. Envelope | 20 | 1 | 1 | 1 |
| Do., pref. | 20 | .89 | .89 | .89 |
| Flin Flon | 20,800 | .34 | .32 | .34 |
| Forty-Four | 40 | 3¾ | 3¾ | 3¾ |
| Gurney Gold | 12,300 | .42½ | .39½ | .40 |
| Gold Lake | 9,900 | .55 | .50 | .51 |
| Island Lake | 6,500 | .04½ | .03½ | .04½ |
| Herb Lake | 1,200 | .10 | .09 | .10 |
| Jowsey Is. | 1,000 | .34 | .34 | .34 |
| Monarch Life | 84 | .19 | .19 | .19 |
| Knee Lake | 4,125 | .05 | .04 | .04 |
| Ore Grande | 3,250 | .12 | .11 | .11½ |
| Oxford Mines | 100 | .35 | .35 | .35 |
| Rice Lake | 16,100 | .08 | .07 | .07 |
| Do., Units | 13 | 4½ | 3 | 3 |
| Packsack | 1,100 | .20 | .15 | .20 |
| Shawkey | 500 | .74 | .74 | .74 |
| Scotia Gold | 5,500 | .08 | .05 | .08 |
| Vanson Man. | 7,700 | .05 | .03½ | .04 |
| United Grain | 2 | .12½ | .12½ | .12½ |
| West. Breweries | 50 | 2 | 2 | 2 |
| Wallace Lake | 6,500 | .04 | .03½ | .03½ |
| Wingold | 43,015 | .15½ | .09 | .15½ |
| Wylie Dom. | 17,000 | .42 | .37 | .37 |

Stocks Not Traded in During Week*

| | Bid | Ask |
|---|---|---|
| Beaver Fire Ins. | .. | 100 |
| City Dairy, A | .. | 10 |
| Comm. Securities | 8 | 10 |
| Home Investment | .. | 25 |
| North. Trust | 7 | .. |
| Pelissiers | .. | ½ |
| Do., pref. | 30 | .. |
| Traders Bldg. | 65 | 67 |
| West. Steel, pfd. | 3 | .. |

*Stocks more active on other exchanges not included.

## Unlisted Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto)

February 3, 1936

| | Bid | Asked |
|---|---|---|
| **Industrial Stocks:** | | |
| Acadia Sugar, c. | 3.75 | ... |
| Do., pfd. | 4.80 | 5.06 |
| Acme Farmers Dairy, pfd. | 35.50 | 40.00 |
| Algoma Steel New, c. | 48.50 | ... |
| Do., pfd. | 58.00 | ... |
| Andian National | 48.50 | 50.00 |
| B. C. Pulp & Paper, com. | 1.00 | 1.50 |
| Do., pfd. | 10.50 | 13.00 |
| Burns & Co., A | 15.00 | 15.75 |
| Do., B | 8.50 | 9.50 |
| Canada Starch, com. | 15.00 | ... |
| Do., pfd. | 89.00 | ... |
| Canada Tea, pfd. | 35.00 | 40.00 |
| Can. Tube, 1st pfd. | 45.00 | ... |
| Can. Industries, A, com. | 238.00 | ... |
| Do., B, com. | 238.00 | ... |
| Do. ,pfd. | 159.00 | 163.00 |
| Can. Westinghouse | 65.00 | 67.00 |
| Chase, A. W., pfd. bonus | 25.00 | 27.00 |
| Dom. Found. & St. c. (New) | 40.00 | ... |
| Do., pfd. (New) | 94.00 | 96.00 |
| Dunlop Tire, pfd. | 51.00 | ... |
| Edm. City Dairy, pfd. | 58.00 | ... |
| Federal Grain, com. | 4.50 | 5.50 |
| Do., pfd. | 60.75 | 62.00 |
| Goderich Elevator | 8.75 | 9.50 |
| Greening Wire, pfd. | 103.25 | 105.50 |
| Guelph Carpet, pfd. | 103.75 | 105.00 |
| Do., com. | 16.50 | 18.00 |
| Highland Dairy, com. | 2.35 | 3.25 |
| Do., pfd. | 77.00 | 81.00 |
| Industrial Accept., A | 15.00 | 17.00 |
| Maple Leaf Gdns., pfd. | 3.75 | 4.50 |
| Morrow Screw, pfd. | 93.50 | ... |
| New Meth. Laund. pfd. bon. | 76.50 | ... |
| Provincial Paper, pfd. | 102.00 | 103.50 |
| Reliance Grain, pfd. | 94.00 | 96.00 |
| Rob. Cons. Cone | 9.75 | 10.50 |
| Ruddy, pfd. | 35.50 | ... |
| Silverwood's Dair., pfd. | 48.00 | ... |
| Std. Fuel, pfd. bonus | 106.00 | 107.50 |
| Supertest Pet. B, pfd. | 27.25 | 29.00 |
| Toronto Carpet, pfd. | 32.50 | 37.00 |
| United Steel A pfd. | 5.00 | ... |
| Western Grain, pfd. bonus | 22.50 | 23.00 |
| Willards Choc., pfd. | 12.50 | ... |
| **Trust & Loan Stocks:** | | |
| Chartered Trust | 78.00 | 82.00 |
| London & West. Tr. | 43.50 | ... |
| Premier Trust | ... | ... |
| Sterling Trust | 33.50 | ... |
| Trad. Fin. B, pfd. with Rts. | 70.00 | ... |
| Trusts & Guarantee | 31.50 | 33.00 |
| **Insurance Stocks:** | | |
| British America | 37.00 | 38.50 |
| Canada Life | 510.00 | 518.00 |
| Canadian Fire Ins. | 75.50 | ... |
| Can. Ins. Shares, com. | 11.00 | 12.75 |
| Confed. Life, 20% pd. | 120.00 | 125.00 |
| Cont. Life, 20% pd. | 36.50 | 40.00 |
| Crown Life | 115.00% | ... |
| Dominion Fire | 115.00 | ... |
| Dominion Life 50% pd. | 285.00 | 300.00 |
| Dom. of Can. Gen. | 101.00 | ... |
| Empire Life 25% pd. | 9.25 | 9.75 |
| Excelsior Life 30% pd. | 69.00 | 73.00 |
| Federal Fire 25% pd. | 38.00 | ... |
| Fidelity Ins. of Can. | 47.00 | 50.00 |
| Great West Life | 380.00 | 390.00 |
| Guar. of N. A. fully pd. | 247.00 | ... |
| Halifax Fire | 22.25 | 23.00 |
| Imperial Life | 340.00 | ... |
| Manufacturers Life | 255.00 | 270.00 |
| Monarch Life, 10% pd. | 17.50 | 19.50 |
| National Life 25% pd. | 51.50 | 57.00 |
| Sovereign Life 25% pd. | 16.25 | 18.00 |
| Sun Life | 485.00 | 500.00 |
| Toronto General | 4.50 | 5.25 |
| West. Assurance, com. | 36.00 | 38.50 |
| Do., pfd. | 39.50 | 41.00 |
| **Theatre Stocks:** | | |
| Allens Beach, pfd. | 57.00 | ... |
| Do., Calgary, com. | 7.00 | 9.00 |
| Do., Kingston, pfd. | 53.00 | ... |
| Do., Parkdale, pfd. | 43.00 | 47.00 |
| Do., Toronto, pfd. bon. c. | 31.00 | 35.00 |
| Loew's London, pfd. | 1.85 | 2.25 |
| Mansf. Theatre, pfd. | 31.00 | ... |
| Para. Kitchener, pfd. | 31.50 | 35.00 |
| Do., Oshawa, pfd. | 65.00 | ... |
| United Amusement, A | 15.50 | ... |
| Do., B | 14.50 | ... |
| **Investment Trust Shares:** | | |
| Can. Gen. Invest. | 7.70 | 8.00 |
| Can. Investors Corp. | 7.50 | 8.00 |
| Can. Int. Inv. Tr. Units | 46.00 | 50.00 |
| Cons. Div. Std. Sec. Units | 11.50 | 13.50 |
| Debenture & Sec. pfd. | 39.00 | ... |
| Dom. Scott. Inv. Units | 29.50 | 33.00 |
| For. Power Sec. pfd. | 13.00 | 15.00 |
| Invest. Foundation Units | 49.00 | 51.00 |
| Sec. Holding Units | 17.00 | ... |
| United Corpns. A | 21.50 | 23.50 |
| Do., B | 8.00 | 9.00 |
| **Power Issues:** | | |
| Can. Public Ser., pfd. | 27.50 | ... |
| Can. West. Nat. Gas, pfd. | 95.00 | 97.00 |
| Do., com. | 23.00 | ... |
| Great Lakes Pwr., pfd. | 84.00 | ... |
| N. B. Telephone, com. | 10.50 | 12.00 |
| Nor. Ont. Power, pfd. | 99.50 | 101.00 |
| N. S. L&P pfd. | 100.00 | 102.50 |

## Mining Dividends

| | Rate | Close Feb. 3 | Yield % |
|---|---|---|---|
| Anglo-Huronian | 20c | 4.35 | .. |
| Buff. Ankerite | 20c | 5.50 | 3.6 |
| Bulolo Gold | 2.60 | 36.00 | 7.2 |
| Cariboo | 10c | 1.20 | 8.3 |
| Coniagas† | 12½c | 3.05 | .. |
| Cons. Smelters | $2.50+$4 | 238.00 | .. |
| Dome Mines | $2+$2 | 49.75 | 8* |
| Falconbridge | 30c | 8.60 | 3.5 |
| Hollinger | 65c+25c | 15.75 | 5.7* |
| Howey Gold | 5c | .69½ | .. |
| Hudson Bay | $1 | 28.00 | .. |
| Int. Coal & Coke‡ | 1c | .19 | .. |
| Inter. Mining | 60+5 | 14.00 | 4.6* |
| Int. Nickel, c. | $1 | 48.50 | 2.1 |
| Kirk. Lake‡ | 3c | .52½ | .. |
| Lake Shore | $2+$2 | 58.00 | 6.9* |
| Macassa | 15c | 4.55 | 3.3 |
| McIntyre | $2 | 47.12 | 4.2 |
| McKinley Sec. | 5c | .50 | .. |
| McWatters Gold† | 5c | 1.46 | .. |
| Mill City Pete.† | 5c | .20 | .. |
| Nipissing | 25c | 3.00 | .. |
| Noranda | $2 | 48.00 | 4.2 |
| Nor. Canada† | 2c | .34½ | .. |
| Petrol Oil | 2+2c | .70 | .. |
| Premier | 12c+1c | 1.90 | 6.7* |
| Pioneer, B.C. | 80c | 11.05 | 7.2 |
| Reno | 12c+2c | 1.15 | 12.3* |
| San Antonio | 21c | 3.15 | 6.6 |
| Siscoe | 20c+3c | 3.30 | 7* |
| So. Amer. Gold | 30c | 6.25 | 4.8 |
| Sunshine | 50c | 24.25 | .. |
| Sylvanite | 20c | 2.79 | 7.1 |
| Teck-Hughes | 40c | 5.10 | 7.8 |
| Toburn | 8c | 1.31 | 6.1 |
| Wright-Har. | 40c+20c | 8.40 | 7.2* |
| Ymir Yankee† | 2c | .61 | .. |

‡Interim. †Initial. Yield includes bonus.

## Dividends Declared

| | This payment | Date payable | Date of record |
|---|---|---|---|
| Agnew Surpass | 20c | Mar. 2 | Feb. 15 |
| Do., pref. | $1.75 | Apr. 1 | Mar. 16 |
| Bonded Corp. tr. c. | 10c | Feb. 1 | Jan. 27 |
| Borden Co. c. | 40c | Mar. 2 | Feb. 15 |
| B. C. Tele. 2nd pf. | $1.50 | Feb. 1 | Jan. 17 |
| Bk. Can. Nationale | $2 | Mar. 2 | Feb. 15 |
| Bank of Toronto | $2.50 | Mar. 2 | Feb. 15 |
| Buffalo Ankerite | 5c | Feb. 15 | Feb. 1 |
| Bank of Montreal | $2 | Mar. 2 | Jan. 31 |
| Can. Vinegars | 30c | Mar. 2 | Feb. 15 |
| Can. Bk. of Commerce | $2 | Mar. 2 | Jan. 31 |
| Can. Converters | 50c | Feb. 15 | Jan. 31 |
| Crows Nest Coal | ‡$2 | Feb. 15 | Feb. 1 |
| Cosmos Imp. | 17½c | Feb. 15 | Jan. 31 |
| Do., pref. | $1.75 | Feb. 15 | Jan. 31 |
| Crown Cork, c. | 20c | Feb. 15 | Feb. 10 |
| Can. Indemnity | $5 | Jan. 23 | Jan. 23 |
| Canadian Oil | 12½c | Feb. 15 | Feb. 1 |
| Do., pref. | $2 | Apr. 1 | Mar. 20 |
| Dom. Bridge | 30c | Feb. 15 | Jan. 31 |
| Dome Mines | 50c | Apr. 20 | Mar. 31 |
| East. Twps. Tel. | 18c | Apr. 15 | Dec. 31 |
| Falconbridge N. | 7½c | Mar. 26 | Mar. 10 |
| Gurd, Chas., pf. | $1.75 | Feb. 15 | Feb. 1 |
| Hecla Mines | 10c | Feb. 15 | Jan. 15 |
| Hollinger Gold | 5c | Feb. 25 | Feb. 10 |
| Int. Nickel, c. | 25c | Mar. 31 | Mar. 2 |
| Inter. Mining | 15c | Mar. 20 | Feb. 29 |
| L. of Woods Mill. p. | $1.75 | Mar. 2 | Feb. 15 |
| Loblaw, A & B | 25c | Mar. 2 | Feb. 14 |
| Kelvinator, pfd. | $1.75 | Feb. 15 | Feb. 5 |
| Langleys, pfd. | $1.75 | Feb. 15 | Feb. 6 |
| Macassa Mines | 5c | Mar. 2 | Feb. 15 |
| Mtge. Corp. of N. S. | $1.75 | Feb. 1 | Jan. 24 |
| McColl-Fron., c. | 20c | Mar. 14 | Feb. 15 |
| McIntyre Mines | 50c | Mar. 2 | Feb. 1 |
| Mill City Pet. | †5c | Feb. 21 | Jan. 31 |
| Mitchell, J. S. | $1 | Mar. 2 | Feb. 14 |
| Nat. Biscuit, pf. | $1.75 | Feb. 29 | Feb. 14 |
| Do., com. | 40c | Apr. 15 | Mar. 13 |
| N. B. Telephone, c. | 12½c | Jan. 15 | Dec. 31 |
| Ont. Silknit, pf. | *75c | Feb. 15 | Dec. 31 |
| Petrol Oil & Gas | 2c | Mar. 1 | Feb. 15 |
| Do., bonus | 3c | Mar. 1 | Feb. 15 |
| Penmans | 75c | Feb. 15 | Feb. 5 |
| Quebec Power | 25c | Feb. 15 | Jan. 24 |
| Royal Bank | $2 | Mar. 2 | Jan. 31 |
| Rolland Pap., pf. | $1.50 | Mar. 2 | Feb. 15 |
| Sherbrooke Trust | $1.50 | Feb. 1 | Jan. 16 |
| Simon & Sons, pf. | *$7 | Feb. 20 | Feb. 10 |
| South. Can. Pr., c. | 20c | Feb. 15 | Jan. 31 |
| Shawinigan | 15c | Feb. 15 | Jan. 20 |
| Toburn | 2c | Feb. 21 | Jan. 21 |
| Westminster Paper | 20c | May 1 | ....... |

†Initial.
‡Interim.
●For quarter ending May 15, 1936.
*On arrears.

# Bank Chat

### Composite Earnings

A COMPOSITE earnings picture of the nine chartered banks which publish financial statements shows that net profits in 1935 amounted to $18,855,000, or about $200,000 lower than in the previous year.

Profits of nearly $19 millions appear enormous at first glance, but after taxes, depreciation and other charges, actual earnings out of which dividends were paid were cut to $12,759,000. And as dividends of $12,320,000 were paid during the year, only some $439,000 was added to surplus.

In terms of percentages, net profit for the year was 13.09 per cent of capital and 6.83 per cent of combined capital and reserves. In 1934 the corresponding figures were 13.23 and 6.90. After all charges except dividends, earnings were 8.86 per cent of capital stock of which 8.56 per cent was distributed to shareholders. This compares with earnings of 9.09 per cent and dividends of 8.60 per cent in the preceding year. It should be kept in mind, however, that this calculation is based on the par value of bank stock. At current market levels the percentages would be substantially lower.

* * *

### Profits and Taxes

TWO banks, the Nova Scotia and the Toronto, managed to eke out a larger net profit than in 1934, but after charges earnings were invariably lower. A slightly lower dividend rate by the Canadienne Nationale, the only dividend change during the year, entitled it to the distinction of being the only bank to report larger addition to surplus. The Commerce was the only one to show a deficit for the year, and that was very small.

Apart from dividends, the major portion of bank profits was paid out in taxation. No less than $4,067,000 was contributed to provincial and federal government coffers during the year, a total $180,000 greater than in 1934. Calculating these on a percentage basis also, it is found that they represent 2.82 per cent on the banks' capital stock. That is, they are equal to just about one third of dividend payments.

* * *

### Surplus Staff

CLOSING of 105 branches last year, 44 in December, naturally leads to the question: What happens to the staff at a discontinued branch?

Bankers are traditionally referred to as hard-hearted, cold-blooded, money-grasping business men. But their policy in regard to personnel would seem to belie that reputation. Places are found within the organization for practically all of those employees whose offices have been closed. As a consequence, there is a surplus of bank employees at the present time. Very few other enterprises, financial or commercial, can boast of a similar "soft-hearted" policy.

The surplus of staff means, naturally, that banks are not over anxious to take on additional employees. As some grow old in service and are pensioned, their places are taken by others within the bank, and it is likely that relatively little new staff will be employed until the surplus is used up.

* * *

### Mortgage Figures

HOW many people are directly interested in the affairs of a loan company?

At the annual meeting of the Canada Permanent Mortgage Corporation, J. A. Rowland, joint general manager, estimated that in the case of his firm the number would be between 50 and 60 thousand. According to figures which he presented, the number of accounts and of shareholders is 67,704, but some of these may be interested in more than one phase of the business. For instance, one man may be a shareholder, a debenture holder and a depositor.

The 67,704 total is divided into those who provide the company's funds and those to whom it is lent on mortgage. The first group comprises 2,816 shareholders with an average holding of about 25 shares, 23,570 depositors maintaining average balances of slightly over $700, 5,392 holders of sterling debentures averaging $1,950 and 18,802 currency debenture owners with an average of $1,485 invested.

At the year end there were some 17,124 mortgages on the corporation's books. Of these Mr. Rowland pointed out that 81 per cent show a decrease from the amount of the original advance, indicating that principal payments have been relatively well maintained.

# DEBITS RISE ONE PER CENT IN DECEMBER

## 1935 Total Shows Decrease of Four Per Cent

Canadian bank debits in December at $2,932 millions were $89 millions under the previous month's total, but after seasonal adjustment a gain of about one per cent was recorded. Advances from November were limited to the western provinces, declines dominating from Ontario east.

Compared with December, 1934, the Dominion total dropped 3.5 per cent despite gains in all sections but Ontario and Quebec. In these two provinces, increases in most reporting centres failed to offset more substantial losses in Montreal, Toronto and Ottawa. British Columbia led the field with a gain of 17.6 per cent, closely followed by the Prairies with nearly 17 per cent. The Maritimes showed an advance of 8.7 per cent.

### Ontario and Quebec Lower

Declines in Ontario and Quebec were also responsible for a fall of four per cent in total debits for the year, and here, as in the December comparison, lower returns from Montreal, Toronto and Ottawa were the deciding factor. The 1935 total was $31,546 millions, compared with $32,867 millions in 1934. The largest increase was in the Maritimes, where there was a gain of 7.5 per cent. British Columbia was next in line with three per cent and Prairie debits were 1.7 per cent higher. The decline in Quebec was five per cent and that in Ontario seven per cent.

**Debits to Individual Accounts**

| | December 1935 $ | December 1934 $ |
|---|---|---|
| **Maritime Provinces—** | | |
| Halifax | 28,274,781 | 22,446,195 |
| Moncton | 8,598,552 | 8,489,628 |
| Saint John | 14,440,035 | 16,313,301 |
| Total—Maritime Provinces | 51,313,368 | 47,249,124 |
| **Quebec—** | | |
| Montreal | 757,196,931 | 839,180,903 |
| Quebec | 50,488,988 | 48,154,735 |
| Sherbrooke | 5,702,420 | 5,364,197 |
| Total—Quebec | 813,388,339 | 892,699,835 |
| **Ontario—** | | |
| Brantford | 9,715,499 | 8,533,686 |
| Chatham | 9,035,933 | 8,030,937 |
| Fort William | 4,927,492 | 4,975,573 |
| Hamilton | 51,741,071 | 43,753,194 |
| Kingston | 6,104,942 | 5,486,650 |
| Kitchener | 11,271,603 | 9,694,258 |
| London | 34,257,552 | 33,214,955 |
| Ottawa | 129,676,741 | 201,105,542 |
| Peterborough | 6,290,247 | 5,619,238 |
| Sarnia | 6,354,885 | 5,837,552 |
| Sudbury | 5,524,637 | 4,097,520 |
| Toronto | 986,285,425 | 1,097,880,691 |
| Windsor | 39,368,471 | 16,482,308 |
| Total—Ontario | 1,300,554,498 | 1,444,712,099 |
| **Prairie Provinces—** | | |
| Brandon | 2,195,648 | 2,330,232 |
| Calgary | 59,505,039 | 37,266,981 |
| Edmonton | 32,558,858 | 37,693,132 |
| Lethbridge | 4,399,459 | 4,327,169 |
| Medicine Hat | 2,598,220 | 3,471,048 |
| Moose Jaw | 5,359,083 | 5,228,011 |
| Prince Albert | 2,219,374 | 2,000,806 |
| Regina | 46,586,159 | 33,879,893 |
| Saskatoon | 9,997,614 | 10,030,515 |
| Winnipeg | 440,401,595 | 382,207,153 |
| Total—Prairie Provinces | 606,821,049 | 518,434,940 |
| **British Columbia—** | | |
| New Westminster | 5,514,141 | 4,310,235 |
| Vancouver | 129,768,431 | 108,392,031 |
| Victoria | 25,943,825 | 24,368,623 |
| Total—British Columbia | 161,226,397 | 137,070,889 |
| Total for Canada | 2,932,303,651 | 3,040,166,687 |

## Monthly Bank Clearings

| | January 1935 $ | January 1936 $ |
|---|---|---|
| Halifax | 8,968,571 | 9,534,547 |
| Saint John | 6,682,414 | 6,380,968 |
| Moncton | 2,677,431 | 2,792,430 |
| Sherbrooke | 2,053,763 | 2,243,255 |
| Quebec | 15,034,492 | ...... |
| Montreal | 396,802,602 | 423,019,112 |
| Ottawa | 19,899,853 | 95,797,476 |
| Kingston | 2,025,277 | 2,156,216 |
| Peterborough | 2,524,306 | 2,618,486 |
| Toronto | 500,253,837 | 531,859,389 |
| Hamilton | 14,430,958 | 19,475,643 |
| Kitchener | 4,061,185 | 4,313,447 |
| Brantford | 3,391,718 | 3,467,840 |
| London | 11,121,959 | 13,257,287 |
| Chatham | 1,909,083 | 1,962,051 |
| Windsor | 8,786,458 | 11,439,886 |
| Sarnia | 1,709,442 | 1,865,169 |
| Sudbury | 2,714,640 | 3,116,645 |
| Fort William | 2,346,766 | 2,230,058 |
| Winnipeg | 173,952,583 | 253,279,665 |
| Brandon | 1,239,810 | 1,112,098 |
| Regina | 11,284,453 | 11,734,845 |
| Moose Jaw | 1,854,094 | 2,069,775 |
| Saskatoon | 4,935,287 | 5,274,886 |
| Prince Albert | 1,180,341 | 1,274,148 |
| Edmonton | 17,964,500 | 15,738,374 |
| Calgary | 20,164,427 | 23,173,232 |
| Medicine Hat | 766,593 | 958,195 |
| New Westminster | 1,863,172 | 2,287,019 |
| Vancouver | 60,167,137 | 72,423,484 |
| Victoria | 5,921,522 | 6,633,708 |

# Bank Credit Index Sinks To Record Low at Year End

## Effect of Seasonal Drop in Loans Emphasized By Greater Deposits — Circulation Lower as Banks Provide for Five Per Cent Cut

The customary seasonal contraction of loans at the year end combined with a further marked rise in deposits to carry The Financial Post credit index to a record low in December. This index, based on the percentage of call and current loans in Canada to Canadian public deposits, dropped to 42.7, more than wiping out the small advance in November and sinking well below the previous low of 44.4 which was reached in October and April of last year.

The flow of funds into security holdings was continued during the month but was not sufficient to offset either the lower loan total or the the increase of $39.5 millions in deposits. Comparative figures of the main factors depicting credit conditions, and also indicating the trend of bank earnings, are as follows:

**Use of Bank Credit in Canada**
(In Millions of Dollars)

| | Dec. 1935 | Nov. 1935 | Ch. | Dec. 1934 | Ch. |
|---|---|---|---|---|---|
| Loans | 1,027.6 | 1,075.5 | —47.9 | 1,079.2 | —51.6 |
| Inv'ts. | 1,154.7 | 1,137.0 | 17.7 | 966.5 | 188.2 |
| Total | 2,182.3 | 2,212.5 | —30.2 | 2,045.7 | 136.6 |
| Deposits | 2,126.9 | 2,087.4 | 39.5 | 1,982.7 | 144.2 |

### Earnings Prospects

While the annual statements of the Canadian chartered banks indicated that earnings comfortably covered dividend requirements, this was so only because the lower return from invested funds was fairly well balanced by a saving in interest paid on deposits. Thus, unless a more lucrative field is found in which to place the banks' growing volume of funds—that is, unless the demand for loans picks up—there is little likelihood of improved earnings. On the other hand, if the trend to investment in government debentures is continued with further curtailment of loans, it is probable that some further cut in expenses will have to be made, possibly a further cut in the interest rate on savings deposits.

Most bankers seem to feel, however, that rock bottom has been hit, as far as loans are concerned, and that while expansion will be slow, the downward trend should be checked.

### Funds to Short Term Securities

The combined statement of the ten chartered banks shows that in December there was a marked transfer of funds from long term to short term securities, which will probably entail some loss of revenue to the banks. This movement reverses the trend of the previous few months which directed funds to long term investments. Other changes from the November compilation include a decrease of $11.6 millions in note issue, reflecting the five per cent cut in the legal maximum circulation, and a sharp decline in government deposits.

**ASSETS**

| | December 1935 $ | November 1935 $ | Change $ | December 1934 $ | Change $ |
|---|---|---|---|---|---|
| **Immediately Available Liquid Assets** | | | | | |
| Canadian coin | 5,387,268 | 5,047,982 | +339,286 | | |
| Bk. of Can. notes | 40,578,926 | 36,709,251 | +3,869,675 | ‡227,480,737 | +122,065 |
| Bk. of Can. deposits | 181,636,606 | 186,723,085 | —5,086,477 | | |
| Bank's cash | 227,602,802 | 228,480,318 | —877,516 | 227,480,737 | +122,065 |
| Other bank notes | 7,889,956 | 6,432,130 | +1,457,826 | 12,952,012 | —5,062,056 |
| Gold & sub. coin ab'd | 10,409,361 | 9,738,050 | +671,311 | 11,002,665 | +593,304 |
| Foreign banks | 111,711,167 | 131,626,487 | —19,915,320 | 85,656,795 | +26,054,372 |
| Foreign curr. | 24,289,692 | 23,236,277 | +1,053,415 | 19,694,259 | +4,595,433 |
| Gov. sec. short term | 431,330,749 | 348,509,746 | +82,821,003 | 404,435,082 | +26,895,667 |
| Do., long term | 524,604,220 | 596,790,831 | —72,186,611 | 376,322,929 | +148,281,291 |
| Call loans abroad | 64,739,788 | 59,711,214 | +5,028,574 | 98,743,655 | —34,003,867 |
| | 1,402,577,735 | 1,404,525,053 | —1,947,318 | 1,236,288,134 | +166,289,601 |
| **Loans and Securities Other Than Those of Canadian Government** | | | | | |
| Municipal secs. | 99,235,800 | 99,214,857 | +20,943 | 92,544,033 | +6,691,767 |
| Public secs.† | 46,233,029 | 39,694,568 | +6,538,461 | 53,605,206 | —7,372,177 |
| Other secs. | 53,272,725 | 52,794,410 | +478,315 | 39,640,451 | +13,632,274 |
| Can. call loans | 82,980,995 | 95,901,988 | —12,920,993 | 102,699,733 | —19,718,733 |
| Current loans | 819,525,595 | 856,839,840 | —37,314,245 | 838,796,579 | —19,270,984 |
| Loans abroad | 144,979,570 | 138,965,853 | +6,013,717 | 133,942,910 | +11,036,660 |
| Prov. loans | 19,397,477 | 22,585,150 | —3,187,673 | 30,172,491 | —10,775,014 |
| Mun. loans | 105,667,601 | 100,196,754 | +5,470,847 | 107,504,128 | —1,836,527 |
| | 1,371,292,792 | 1,406,193,420 | —34,900,628 | 1,398,905,531 | —27,612,739 |
| **Other Assets** | | | | | |
| Non-curr. loans | 13,125,696 | 13,469,731 | —344,035 | 14,085,968 | —960,272 |
| Real estate | 8,592,887 | 8,607,518 | —14,631 | 7,734,164 | +858,723 |
| Mortgages | 5,306,970 | 5,330,533 | —23,563 | 5,634,776 | —327,806 |
| Premises | 75,959,621 | 76,114,904 | —155,283 | 77,642,534 | —1,682,913 |
| Letters of credit | 58,190,163 | 59,425,443 | —1,235,280 | 50,808,311 | +7,381,852 |
| Loans to comp. | 10,805,935 | 10,979,244 | —173,309 | 12,993,993 | —2,188,058 |
| Other assets | 1,621,111 | 1,706,548 | —85,437 | 1,679,712 | —58,601 |
| | 173,602,383 | 175,633,921 | —2,031,538 | 170,579,458 | +3,022,925 |
| Total | 2,947,472,910 | 2,986,352,394 | —38,879,484 | 2,835,773,123 | +141,699,787 |
| Note circ. deb. | 6,876,162 | 6,869,389 | +6,773 | 6,713,930 | +162,232 |
| Int. bank bal. | 124,759,094 | 98,535,958 | +26,223,136 | 106,799,891 | +17,959,203 |
| Gross | 3,079,108,166 | 3,091,757,741 | —12,649,575 | 2,919,286,944 | +159,821,222 |

**LIABILITIES**

| | December 1935 $ | November 1935 $ | Change $ | December 1934 $ | Change $ |
|---|---|---|---|---|---|
| **To the Public** | | | | | |
| Circulation | 118,928,662 | 130,526,762 | —11,598,100 | 136,434,754 | —17,506,092 |
| Dom. Govt. | 11,872,802 | 38,593,102 | —26,720,300 | 24,272,634 | —12,399,832 |
| Prov. Govt. | 40,719,570 | 47,541,064 | —6,821,494 | 28,345,422 | +12,374,148 |
| Bank advances | ........ | ........ | ........ | 35,241,000 | —35,241,000 |
| **Deposits by Public** | | | | | |
| Demand dep. | 640,920,930 | 613,269,891 | +27,651,039 | 575,496,870 | +65,424,060 |
| Savings dep. | 1,485,977,174 | 1,474,122,395 | +11,854,779 | 1,407,201,814 | +78,775,360 |
| Total | 2,126,898,104 | 2,087,392,286 | +39,505,818 | 1,982,698,684 | +144,199,420 |
| Foreign dep. | 379,475,757 | 382,658,439 | —3,182,682 | 325,397,867 | +54,077,890 |
| **Due to Banks Abroad, Etc.** | | | | | |
| United Kingdom | 8,536,238 | 12,299,964 | —3,763,726 | 6,503,276 | +2,032,962 |
| Foreign | 27,398,569 | 27,725,433 | —326,864 | 22,950,952 | +4,447,617 |
| Bills payable | 1,458,024 | 1,474,403 | —16,379 | 1,007,505 | +450,519 |
| Letters of credit | 58,190,163 | 59,425,443 | —1,235,280 | 50,808,311 | +7,381,852 |
| Other liabs. | 3,134,809 | 2,705,352 | +429,457 | 2,497,466 | +637,343 |
| Total public liab. | 2,776,612,698 | 2,790,342,248 | —13,729,550 | 2,616,157,871 | +160,454,827 |
| Due bet. banks | 14,327,470 | 12,253,796 | +2,073,674 | 15,089,413 | —761,943 |
| **Liability to Shareholders** | | | | | |
| Dividends | 794,397 | 2,950,309 | —2,155,912 | 609,582 | +184,815 |
| Reserve | 132,750,000 | 132,750,000 | ........ | 132,750,000 | ........ |
| Capital | 145,500,000 | 145,500,000 | ........ | 145,500,000 | ........ |
| Gross | 3,069,964,565 | 3,083,796,353 | —13,811,788 | 2,910,106,866 | +159,877,699 |
| Credit index* | 42.4% | 45.7% | —3.3% | 47.5% | —5.1% |

‡Gold, coin and Dominion notes in Canada.
*Ratio of current and call loans in Canada to demand and savings deposits in Canada.
†Other than Canadian.

ACCURATE CREDIT INFORMATION

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### Can. Permanent Director

**ROY L. WARREN**

Who has been appointed a director of the Canada Permanent Mortgage Corporation, succeeding the late Norman Mackenzie. Mr. Warren is a senior partner of A. E. Ames & Co.

## *Bank of Canada Weekly Statement*

Changes in the Bank of Canada statement last week were small and of relatively small importance. Note circulation dropped a further $2 millions, deposits were somewhat higher and reserves abroad were strengthened.

**Balance Sheet**

| | Jan. 29 $ | Jan. 22 $ |
|---|---|---|
| **Liabilities** | | |
| Capital paid-up | 5,000,000 | 5,000,000 |
| Notes in cir. | 88,439,541 | 90,409,260 |
| Rest fund | 173,092 | 173,092 |
| Dep.: Dominion | 32,095,399 | 30,764,028 |
| Banks | 179,837,048 | 177,383,594 |
| Other | 1,824,179 | 1,634,691 |
| Total deposits | 213,757,026 | 209,782,313 |
| All other liabs. | 176,122 | 379,152 |
| Total liabs. | 307,545,781 | 305,743,817 |
| **Assets** | | |
| Reserve: Gold | 179,533,790 | 179,538,475 |
| Silver bullion | 1,496,267 | 1,496,263 |
| Res. in sterling | 1,298,311 | 162,540 |
| Res. in U. S. | 12,889,063 | 11,944,863 |
| Res. elsewhere | 8,376 | 9,346 |
| Total reserve | 195,225,807 | 193,151,487 |
| Subsidiary coin | 229,681 | 231,281 |
| Adv. to govt. | 2,197,250 | 2,200,000 |
| Investments: | | |
| Dom. govt. short. | 24,757,999 | 24,756,055 |
| Other Dom. govt. | 81,672,720 | 82,909,121 |
| Total invest. | 106,430,719 | 107,665,177 |
| Premises | 111,947 | 111,947 |
| All other assets | 3,350,377 | 2,383,925 |
| Total assets | 307,545,781 | 305,743,817 |
| Reserve ratio | 64.60% | 64.34% |

# Survey Reveals Bank Debit Drop

Canada was one of four countries to show a decline in bank debits in 1935, a survey recently completed by the League of Nations shows. Probably due to less active security markets, rather than to recessions in business activity, the Canadian average dropped four per cent to 65.8 per cent of the 1929 level.

Fourteen other countries included in the survey recorded gains ranging from three per cent to over 18 per cent.

**Bank Debits**
(1929 = 100)

| | 1935 Average | 1934 Average |
|---|---|---|
| Germany | 84.9 | 73.4 |
| Argentina | 65.3 | 57.3 |
| Australia | 93.1 | 90.3 |
| Belgium | 62.3 | 54.7 |
| Canada | 65.8 | 68.8 |
| United States | 56.7 | 49.4 |
| Finland | 101.6 | 91.3 |
| France | 66.8 | 63.9 |
| Italy | 67.0 | 68.7 |
| Japan | 95.1 | 100.5 |
| Norway | 93.2 | 78.8 |
| Netherlands | 43.5 | 40.3 |
| Poland | 128.0 | 113.1 |
| United Kingdom | 95.7 | 90.8 |
| Sweden | 93.6 | 83.3 |
| Czechoslovakia | 52.8 | 50.4 |
| Turkey | 47.7 | 45.4 |
| Yugoslavia | 39.8 | 43.6 |

## Staff Changes

The Bank of Montreal has announced the following staff changes:

W. H. RAIKES, formerly assistant manager at Victoria, to be assistant manager at Ottawa.

C. H. S. BUTTERWORTH, formerly assistant manager at Ottawa, to be assistant manager of the securities department at head office, Montreal.

W. F. DRUM, formerly manager at Prescott, to be manager at Danforth & Logan, Toronto.

G. M. LYONS, formerly manager at Danforth & Logan, to be manager at Prescott.

## Weekly Bank Clearings

| | Jan. 30 1936 $ | Change yr. ago % | Jan. 23 1936 $ |
|---|---|---|---|
| Halifax | 1,485,106 | — 10.6 | 2,021,711 |
| Saint John | 1,169,223 | — 5.5 | 1,347,318 |
| Moncton | 566,263 | — 7.2 | 634,853 |
| Sherbrooke | 342,524 | — 10.5 | 484,901 |
| Quebec | 2,919,391 | + 0.04 | 3,372,732 |
| Montreal | 77,097,997 | — 4.4 | 94,321,229 |
| Ottawa | 9,701,808 | +182.7 | 15,282,698 |
| Kingston | 335,402 | — 3.2 | 444,896 |
| Peterborough | 420,596 | + 4.9 | 570,214 |
| Toronto | 106,240,312 | + 15.2 | 109,902,279 |
| Hamilton | 3,263,655 | + 24.4 | 4,098,565 |
| Kitchener | 676,917 | — 7.4 | 977,392 |
| Brantford | 549,938 | — 5.3 | 745,610 |
| London | 2,111,387 | + 23.8 | 3,012,321 |
| Windsor | 2,016,507 | + 5.6 | 2,684,802 |
| Chatham | 391,367 | —14.9— | —— |
| Sudbury | 637,334 | + 8.1 | 663,420 |
| Fort William | 356,057 | — 1.4 | 541,952 |
| Winnipeg | 27,492,251 | + 6.6 | 34,534,003 |
| Brandon | 165,254 | — 18.5 | 232,697 |
| Regina | 2,610,843 | + 33.8 | 2,427,442 |
| Moose Jaw | 303,244 | — 7.7 | 504,311 |
| Saskatoon | 854,081 | — 4.4 | 1,204,717 |
| Prince Albert | 195,609 | — 9.6 | 269,273 |
| Edmonton | 2,469,805 | — 20.2 | 4,114,113 |
| Calgary | 4,477,395 | + 22.2 | 5,392,873 |
| Medicine Hat | 143,940 | — 9.9 | 265,010 |
| Lethbridge | 363,604 | + 14.8 | 410,369 |
| N. W'minster | 478,549 | + 31.0 | 407,295 |
| Vancouver | 13,833,346 | + 20.0 | 16,673,754 |
| Victoria | 1,186,662 | + 5.5 | 1,588,196 |

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*Chartered Accountants*
TORONTO - KIRKLAND LAKE

# Should Canadian Publishers Move to Buffalo, Detroit or Minneapolis?

## *Publication Costs There Would Be Twenty to Thirty Per Cent Lower Than in Canada*

Publications so produced would come into Canada free of all duties, sales and excise taxes, and would get the full benefit of lower costs of raw materials and plant equipment prevailing in the United States. The savings effected could be used to render even greater service to Canadian readers.

### *Vigorous Canadian Periodicals Vital to National Welfare*

Informed Canadians who take an interest in national affairs, who know the problems of agriculture, industry and government, realize that Canadian farm journals, business newspapers and magazines have reached the place where they are superior, in value of service rendered to Canadians, to publications produced anywhere.

Because of our peculiar national problems and our diversified interests and industry, Canada, if she is to progress as she should, must have a distinctively Canadian periodical literature of the highest type. We must make national progress by better citizenship and greater efficiency. These depend upon better understanding and greater knowledge which, in turn, are brought about by the dissemination of scientific and technical information, and the discussion of national problems, through such periodicals.

Canadian periodicals have made a great contribution to the welfare of the people of Canada. They plan to make further advances in the production of a periodical literature that stamps Canada as a nation outstanding in cultural, governmental and industrial achievements. Standing between Canadians and the full development of a Canadian periodical literature, adequate to Canada's growth and needs, is the legislative handicap of added costs of raw materials and equipment, as compared with similar costs in foreign countries.

### On January 1, 1936, Canada's Government Made United States Periodicals Duty and Tax Free But Left Canadian Periodicals Heavily Taxed, With Duties, Sales and Excise Taxes on Materials.

Tariffs and taxes imposed on Canadian magazines and periodicals, but not applied to United States publications, amount to hundreds of thousands of dollars annually. The prosperity of every Canadian, and Canada's progress as a nation, is bound up in this problem.

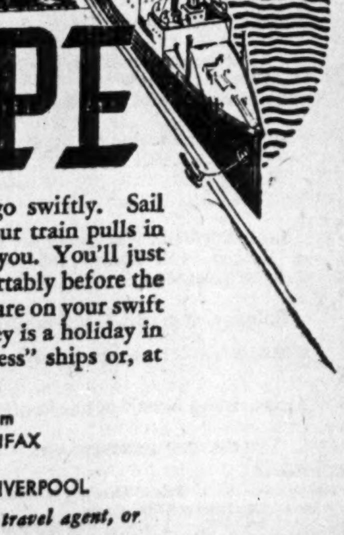
Rt. Hon. W. L. Mackenzie King has gone on record (July 1931):

> "All advances that are made in civilization are the result of ideas, and in any way to preclude the possibility of a good idea having its opportunity of fruition to the full in any quarter is to retard to that extent the progress of civilization itself . . . . . I deplore any tax which will in any way restrict the widest spread of views and ideas throughout communities, particularly communities that are neighbours."

Mr. King's government has applied this policy to United States publications. Consistency demands that Mr. King's government complete the application of this policy by freeing Canadian Periodicals to Widen the Spread of *Canadian* Ideas Throughout Canadian Communities and Provinces.

**The question, "Should Canadian Publishers move to Buffalo, Detroit or Minneapolis?" is one for the people of Canada to answer through their parliament.**

PUBLISHED BY CANADIAN NATIONAL NEWSPAPERS AND PERIODICALS ASSOCIATION, TORONTO



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## Company Earnings Reports

### Building Products

Building Products income statement for 1935 shows a sharp reduction in earnings, while the balance sheet reflects the continued maintenance of a strong working capital position.

The balance sheet shows no material changes among the liabilities, while a survey of the assets shows a reduction on plant account of approximately $50,000, reflecting the sale of the shipping container division during the year. Inventories, holdings of government bonds, and cash on hand, remain much the same as a year ago.

Profit and loss account figures for the past two years follow:

**Income and Surplus Account**
Years Ended Dec. 31

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Gross income | 276,146 | ...... |
| Less: Legal fees | 1,560 | ...... |
| Exec. salaries | 66,578 | ...... |
| Net earnings | 208,008 | 279,593 |
| Less: Depreciation | 44,464 | 50,146 |
| Amortization | ...... | 45,145 |
| Directors' fees | 2,080 | 1,880 |
| Income tax | 24,617 | 28,206 |
| Contingent res. | 8,453 | ...... |
| Net profit | 128,394 | 154,216 |
| Less: Dividends | 151,057 | 151,057 |
| Surplus for year | *22,663 | 3,159 |
| Previous surplus | †762,186 | 764,733 |
| Add: Deprec. recover. | 24,763 | ...... |
| Carried forward | 764,286 | 767,892 |

*Deficit before including recovery of depreciation on properties sold.
†Adjusted.

### General Steel Wares

Strengthening of balance sheet and further moderate increase in profits is shown in the annual report of General Steel Wares and subsidiary companies for 1935.

Operating profits on a comparable basis increased from $830,806 in 1934 to $872,461 in 1935. After taking care of all senior charges, there was a net profit available for dividends totalling $161,624, equivalent to $3.59 a share on the preferred stock. This compared with earnings of $2.36 a share on the preferred in 1934.

**Bank Loans Lower**

Examination of the balance sheet shows a slight increase in net working capital. The advance in current assets is largely due to an increase in inventories. Among current liabilities bank loans are down from $215,649 to $136,945. On the other hand, accounts payable increased from around $400,000 to over $600,000.

Funded debt of the company was reduced during the year from $7,137,500 to $6,878,500, while subsidiary bonds declined from $195,000 to $180,000.

Comparative profit and loss account for the past two years follow:

**Income and Surplus Account**
Years Ended Dec. 31

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Gross income | 925,886 | ...... |
| Less: Legal fees | 3,785 | ...... |
| Exec. salaries | 49,750 | ...... |
| Operating profit | 872,461 | 830,806 |
| Less: Depreciation | 250,000 | 250,000 |
| Directors' fees | 2,550 | 2,250 |
| Bond interest | 428,998 | 451,698 |
| Exchange | 3,289 | 3,607 |
| Net profit | 161,624 | 106,251 |
| Previous deficit | 1,048,761 | 1,207,077 |
| Less: Bond discount | 16,315 | 52,065 |
| Deficit forward | 870,822 | 1,048,761 |

### J. S. Mitchell Co.

J. S. Mitchell & Co., wholesale and retail distributors of hardware and allied lines in the Eastern Townships of Quebec, report total income of $231,667 for 1935, the best reported since 1931 and equivalent to $1.59 a share on the common stock after all charges and deferred dividends. This compares with common stock earnings of $1.52 in 1934.

There are no major changes in the financial position of the company. The mortgage against company properties was reduced by $10,000 to $40,000 during the year, while $1,300 of preferred stock was retired, leaving outstanding $302,600. The only change of interest among the assets was the reduction in cash on hand from $226,760 to $128,520, which is compensated by the appearance of a new item of $99,000 representing C.N.R. bonds.

Following are the profit and loss account figures for the past two years:

**Income and Surplus Account**
Years Ended Dec. 31

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Trading profit | 223,967 | 207,857 |
| Other income | 7,700 | 9,748 |
| Total | 231,667 | 217,606 |
| Deductions (a) | 186,775 | 173,100 |
| Net profit | 44,892 | 44,505 |
| Pref. divd. | 21,245 | 21,610 |
| Com. divds. | 15,000 | ...... |
| Surplus | 8,647 | 22,895 |
| Previous surplus | 351,557 | 320,724 |
| Total | 360,204 | 343,619 |
| Sundry income | ...... | 8,000 |
| Adjustments | 855 | 61 |
| P. & L. balance | 359,349 | 351,557 |

Note (a)—Selling, delivery and other expenses, including depreciation, reserves for doubtful accounts and provision for 1935.

### Moirs Ltd.

Moirs Ltd., Halifax, manufacturers of confectionery and bakery products, report a net income available for bond interest of $104,404 during 1935. This is a marked improvement over 1934, when $18,435 was shown in the report. The management consider the returns for last year as satisfactory in view of the continued competition and decline in the selling price of some of the company's products.

The balance sheet shows few changes. Net current assets at $525,887 are $35,727 above those reported a year ago, while bank loans were reduced from $313,000 to $203,000.

**Income and Surplus Account**
Years Ended Dec. 31

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Net income after taxes, debt reserve, etc. | 104,404 | 18,435 |
| Less: Bond interest | 45,000 | ....... |
| Balance* | 59,404 | 18,435 |

*Transferred to depreciation reserve.

**Working Capital**
As at December 31

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Current assets | 868,546 | 912,632 |
| Current liabilities | 342,659 | 423,472 |
| Working capital | 525,887 | 490,160 |

### Melchers

Melchers Distilleries Ltd. report earnings in 1935 equal to 89 cents a share on the Class A stock, as against 75 cents in the preceding year. Operating profit amounted to $93,053 as against $75,363 in the previous year.

The balance sheet as at December 31 last shows a reduction of about $100,000 in inventories, but cash and call loans show an increase of $115,900 to $240,143. Current liabilities are negligible.

A feature of the report is a special reserve account of $50,000, being the amount of deposits forfeited upon cancellation of contract for sale.

**Income and Surplus Account**
Years Ended Dec. 31

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Operating profit | 93,053 | 75,363 |
| Depreciation | 19,625 | ....... |
| Net earnings | 73,428 | 75,363 |
| Class A dividend | 50,000 | 50,000 |
| Surplus | 23,428 | 25,363 |
| Previous balance* | 15,431 | 16,993 |
| P. & L. balance | 38,859 | 42,356 |

*After adjustments.

### Woods Manufacturing

Though earnings of Woods Manufacturing Co. in 1935 recorded a sharp decline, the financial position of the company was bettered, largely because of the receipt of $100,000, representing the proceeds of a life insurance policy carried by the company.

The balance sheet at the end of 1935 shows an increase in strength largely due to the proceeds of the life insurance policy. During the year a bank loan of $170,000 was liquidated, while the funded debt was reduced from $600,500 to $587,000. Other changes in the balance sheet were relatively unimportant.

Profit and loss account figures compare as follows:

**Income and Surplus Account**
Years Ended Dec. 31

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Gross income | 108,089 | ...... |
| Less: Legal fees | 171 | ...... |
| Executive salaries | 36,474 | ...... |
| Net revenue | 71,444 | 232,020 |
| Less: Depreciation | 33,492 | 65,706 |
| Directors' fees | 2,500 | 2,500 |
| Bond interest | 35,232 | 37,115 |
| Bond discount | 1,100 | ...... |
| Income tax | 2,000 | 19,600 |
| Reserves | ...... | 3,000 |
| Surplus | †2,882 | 104,098 |
| Previous balance | *508,034 | 306,553 |
| Carried forward | 505,034 | 410,651 |

†Deficit.
*After adjustments and inclusion of $100,000 proceeds of life insurance.

### Page-Hersey Tubes

Page-Hersey Tubes, Ltd., earned $3.68 a share on the common stock in 1935 compared with $3.55 a share in 1934.

The profits from the subsidiary companies have not been taken into account, the auditors state.

Domestic business was higher during the year but export business was down because of international disturbance. The expectation of the president, C. L. Dunbar, is that this situation will take a change for the better in 1936. He also looks forward to a revival in building and construction in 1936. That would bring with it increased demand for the company's products.

During the year, cash went up from $310,634 to $454,573. Call loans, secured, remained at $1 million. Accounts receivable went up from $251,343 to $383,990 and bills receivable at $37,989 was nearly $5,000 below the level of a year earlier. Advances to subsidiaries at $169,889 were slightly lower. Reserve for depreciation was increased by $217,664 and now stands at $1.8 millions.

Equity behind the common stock increased during the year from $53.21 a share to $53.95 a share on 174,276 no par value common shares outstanding.

**Income and Surplus Account**
Years Ended December 31

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Operating profit | 809,498 | 779,850 |
| Less: Deprec. reserve | 217,646 | 211,978 |
| Directors' fees | ...... | 4,528 |
| Tax reserve | 99,435 | 92,357 |
| Net operating profit | 492,417 | 470,987 |
| Add: Other income | 149,914 | 149,031 |
| Net profit* | 642,331 | 620,018 |
| Less appropriations: | | |
| Preferred dividends | 220 | 1,204 |
| Common dividends | 507,160 | 503,223 |
| Surplus for year | 134,951 | 115,591 |
| Add: Previous balance | 525,466 | 409,875 |
| Less: Addit. inc. tax | 5,797 | ...... |
| Prem. on pref. red. | 1,720 | ...... |
| Bal. profit & loss | 652,900 | 525,466 |
| Earned surplus | 2,500,000 | 2,500,000 |
| | 3,152,900 | 3,025,466 |

*After deducting directors' and solicitors' fees and executives' salaries amounting to $42,845.

**Working Capital**

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Current assets | 5,977,900 | 5,508,597 |
| Current liabilities | 246,151 | 242,326 |
| Working capital | 5,731,749 | 5,266,271 |
| Ratio | 24.29—1 | 22.73—1 |

### Quebec Power

Reflecting the substantial reduction in rates made during the last two years, earnings of Quebec Power Co. for 1935 totalled $2.7 millions and net before depreciation just over $1 million. These figures compare with a gross of $2.8 millions and a net before depreciation of almost $1.1 million for 1934. After setting aside over $400,000 for depreciation and contingent reserve, the dividend for the year was covered by a margin of $40,519.

Quebec Power's balance sheet as at the end of last year does not show any material change from that reported a year ago.

Profit and loss account figures for the past two years follow:

**Income and Surplus Account**
Year Ended Dec. 31

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Gross revenue | 2,730,610 | 2,832,980 |
| Less: Expenses | 1,115,361 | 1,147,267 |
| Net earnings | 1,615,249 | 1,685,713 |
| Less: Depreciation | 350,000 | 350,000 |
| Bond interest | 608,532 | 608,531 |
| Contingent reserve | 63,000 | 54,000 |
| Net profit | 593,717 | 673,182 |
| Less: Dividends | 553,198 | 553,198 |
| Balance | 40,519 | 119,184 |
| Previous balance | *311,015 | *275,772 |
| | 351,534 | 394,956 |

* After adjustments.

### Brewing Corp. of Canada

Distributable surplus of Brewing Corp. of Canada, Ltd., and subsidiary companies dropped from $1.6 millions to $1.4 millions during the year ended October 31, 1935.

If one ignores the transfer to property reserve of $150,000 for hotel and other properties which are considered as real estate not used in the business, the company earned about $1 a share on 162,803 cumulative sinking fund convertible preference shares of no par value. The dividend rate is $3 per annum but $1.50 a share is being paid.

E. P. Taylor, president, states that the company did business on a profitable basis during the year, but returns were disappointing to the directors.

"Your directors firmly believe that the process of consolidation and elimination of surplus capacity offers the solution to the problem of earning a reasonable return on your investment," he says.

The funded debt still stands at $815,000, but the minority interest in subsidiary companies has been reduced from $134,352 to $12,508. Mortgages and notes payable of $54,691 have disappeared, but there is still a purchase agreement of $65,000 which is finally payable on November 1, 1936.

There is a balance outstanding of $365,000 in seven per cent guaranteed debentures due 1936. On October 31, there were outstanding option rights on 1,185 preference shares of $15 each in connection with these debentures.

**Consolidated Income and Surplus Account**
Year Ended Oct. 31

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Earn. from oper. | 2,953,550 | 2,155,298 |
| Less: Dom., prov. and munic. taxes | 2,302,031 | 1,863,889 |
| Profit before dep., etc. | 651,519 | 291,409 |
| Less: Depreciation | 370,950 | 351,131 |
| Bank and other int. | 71,491 | 78,935 |
| Net operating profit | 209,078 | *138,657 |
| Add: Mis. income | 12,814 | 3,743 |
| Less: Dom. inc. tax | 54,300 | 30,250 |
| Net loss | 167,592 | 165,164 |
| Appropriations: | | |
| Less: Minority int. | 1,408 | ■876 |
| Preferred dividend | 243,910 | 121,648 |
| Deficit for year | 77,726 | 287,688 |
| Add: Previous surplus | 1,640,848 | 76,200 |
| Less: Prov. for arrears of pref. divs. to min. int. & prior period adj. | ...... | 3,361 |
| Financing exp. | ...... | 32,298 |
| Res. for prop. not used in bus. | 150,000 | 25,000 |
| Less: Tax adjust. | 9,420 | ...... |
| Add: Portion of consider. rec. for com. stk. issued dur. year | 37,784 | 1,912,996 |
| Bal. carried forward | 1,441,486 | 1,640,848 |

*Loss. ■Debit.

**Working Capital**

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Current assets | 2,167,492 | 2,228,446 |
| Current liabilities | 866,937 | 930,601 |
| Working capital | 1,300,555 | 1,297,845 |
| Ratio | 2.50—1 | 2.39—1 |

### Catelli-Macaroni

Catelli-Macaroni Products Corp. statement for 1935 shows an increase in both gross and net profit, with the amount available on the Class A stock being equal to around $1.24 a share, as against 67 cents a share in 1934.

The liquid position of the company continues strong and in his report, the president states that directors are giving consideration to a plan for the adjustment of arrears of dividends on the preferred

**Income and Surplus Account**
Years Ended Dec. 31

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Gross income | 132,124 | ....... |
| Less: Legal fees | 91 | ....... |
| Executive sal. | 24,044 | ....... |
| Gross revenue | 107,989 | 74,409 |
| Less: Depreciation | 40,605 | 40,681 |
| Non-oper. expenses | 4,717 | 8,977 |
| Income tax | 10,464 | 4,700 |
| Net profit | 52,203 | 26,968 |
| Add: Previous bal. | 2,841 | *22,426 |
| Adjustments | 2,923 | 414 |
| Less: Inventory res. | 2,412 | 2,115 |
| Balance | 55,555 | 2,841 |

*Deficit.

### Cosmos Imperial

A slight improvement in manufacturing operations and lower operating costs and fixed charges resulted in higher profits for Cosmos Imperial Mills in 1935. Net profit for the year at $190,496 was the highest since 1929. Profits in 1934 totalled $184,267.

During the year the company substantially reduced its fixed charges through the redemption of its 6½ per cent first mortgage bonds, totalling $712,500. In order to provide part of the funds necessary for this redemption, the company sold 20,000 shares of common stock, bringing the number of common shares outstanding to 20,000.

Working capital increased during the year by over $316,000.

**Cons. Income and Surplus Account**
Years Ended Dec. 31

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Operating profit | 324,664 | 316,311 |
| Add: Other income | 22,889 | 46,878 |
| | 347,553 | 363,189 |
| Less: Depreciation | 93,490 | 91,802 |
| Bond interest | 17,367 | 48,497 |
| Directors' fees | 1,920 | 2,656 |
| Directors' salaries | 5,430 | 4,467 |
| Dom. & prov. taxes | 38,850 | 31,500 |
| Net profit | 190,496 | 184,267 |
| Less disbursements: | | |
| Preference divds. | 87,807 | 170,953 |
| Common divds. | 36,750 | ...... |
| Surplus for year | 65,939 | 13,314 |
| Add: Prev. surplus | 445,544 | 432,230 |
| Balance carried for'd. | 511,483 | 445,544 |

**Working Capital**
As at Dec. 31

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Current assets | 1,172,538 | 1,494,970 |
| Current liabilities | 50,205 | 56,605 |
| Working capital | 1,122,333 | 1,438,365 |

### Maritime Telegraph

Preliminary revenue figures of Maritime Telegraph and Telephone Co. placed net income for 1935 at $340,210. This was better than in 1934 when $328,856 was reported as available for dividends.

Gross operating revenues last year totalled $1,797,045, as against $1,727,470 in the preceding twelve months.

### Mont. Island Power

Montreal Island Power Co., controlled by Montreal Light, Heat and Power Consolidated, reports much the same earnings in 1935 as was the case in 1934. The usual accounting practice has been followd: After taking care of bond interest, the balance has been added to the depreciation reserve.

Litigation is pending respecting numerous claims for flooding.

The balance sheet shows no changes of any importance.

**Income and Surplus Account**
Years Ended Dec. 31

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Gross revenue | 764,999 | 766,406 |
| Operating expenses | 137,227 | 139,385 |
| Net revenue | 627,771 | 627,021 |
| Fixed charges | 515,210 | 519,505 |
| Surplus | *112,561 | *107,515 |

*Transferred to depreciation reserve.

### Beauharnois Power

Beauharnois Power Corp.'s financial statement for 1935 shows gross operating revenue of over $2.8 millions as against $2.2 millions in the preceding twelve months. This was sufficient to take care of fixed charges, before making any allowance for depreciation.

The revenue obtained last year was from the sale to Ontario Hydro of 129,000 h.p. for ten months and the sale to Montreal Power of 75,000 h.p. for nine months, and 100,000 h.p. for three months.

After taking care of fixed charges, there was a balance of $545,795 for depreciation and amortization. This amount was reinvested in development, thereby reducing by that amount the capital outlay for which it was necessary to issue bonds during the year.

Because of developments with regard to the Ontario Hydro contract, all construction work has been halted at the plant. During the past year the amount expended on capital account was $1.5 million, representing the outlay on new equipment, dredging and the Cedar Rapids remedial work.

**Income and Surplus Account**
Years Ended Dec. 31

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Gross income | 2,888,427 | *2,227,555 |
| Less: Expenses | 533,459 | 460,183 |
| Legal fees | 8,103 | ....... |
| Exec. salaries | 37,462 | ....... |
| Directors fees | 5,895 | 6,499 |
| Net income | 2,303,507 | 1,760,873 |
| Less: Bond interest | 1,759,343 | 1,637,187 |
| Surplus | 544,164 | 123,686 |
| Add: Interest income | 1,631 | 21,475 |
| Balance | 545,795 | 145,161 |
| Less: Depreciation | 545,795 | 153,336 |
| Deficit for year | ....... | 8,175 |
| Previous deficit | †156,621 | 848,719 |
| Trans. to fixed assets | ....... | 697,393 |
| Deficit forward | 156,621 | 159,501 |

* After legal fees and executive salaries.
† Adjusted.

### Can. Investment Fund

Canadian Investment Fund's financial statement for 1935 shows an income from all sources of $139,411, which was more than sufficient to cover expenses, taxes and dividends.

The balance sheet shows total assets, with securities carried at market quotations, of $3.6 millions. This compares with $2.5 millions at the end of 1934. Securities carried at cost of $2.7 millions on December 31 last had a market value of nearly $3.8 millions, showing a net appreciation of just under $600,000.

During the past year there was a net increase of 22 per cent in the outstanding shares.

**Income and Surplus Account**
Year Ended Dec. 31

| | 1935 |
|---|---|
| | $ |
| Gross income | 139,411 |
| Less expenses | 10,505 |
| Net income | 128,905 |
| Add: Sub. on capital | 6,860 |
| Less: Redemption of shs. | 2,730 |
| Special dividends | 117,635 |
| Ordinary dividends | 140 |
| Balance | 15,060 |
| Previous balance | 30,252 |
| Carried forward | 45,312 |

### National Light

Despite an increase in gross earnings and a reduction in operating expenses, earnings of National Light and Power Co. available for bond interest in 1935 were lower than in 1934 as a result of an increase in the provision for depreciation. Bond interest, however, was well covered, being earned 2.19 times before depreciation and 1.64 times after depreciation.

**Income Account**
Years Ended Dec. 31

| | ▲1935 | 1934 |
|---|---|---|
| | $ | $ |
| Gross earnings | *511,084 | 491,313 |
| Less: Operating exp. | 212,975 | 223,072 |
| Depreciation | 68,634 | 26,714 |
| Property taxes | 26,226 | 26,242 |
| Available for bond int. | 203,249 | 215,281 |
| Less bond interest | 123,763 | 120,000 |
| Net earnings | 79,486 | 95,281 |

▲Estimated.
*Includes $5,394 of miscellaneous revenue.

### Cockshutt Plow Co.

Consolidated report of Cockshutt Plow Co., and its subsidiary. The Frost & Wood Co., Ltd shows deficit for the year after all charges and write-offs at $218,629 as compared with $525,937 in 1934. There was an operating profit before depreciation and bank interest.

Balance sheet valuation of land, buildings and equipment at $5.6 millions fell from $10.7 millions a year earlier because of a write-down of goodwill from $4.6 millions to $1 and the providing of a reserve of $600,000 for inventories and receivables. Uncollectible debts of the parent company arising from sales prior to 1935 have been written off against this reserve. The contingent reserve now stands at $150,000 and merchandise reserve at $285,000 as a result.

Sales are reported to have increased 42 per cent.

**Consolidated Income and Surplus Account**
For Years Ended November 30

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Oper. profit | 136,479 | †182,932 |
| Less: Depreciation | 186,455 | ....... |
| Int. on bank loans | 104,656 | 110,559 |
| Uncollect. accts. w/o | ‡46,713 | 111,889 |
| Deprec. subsid. | ...... | 11,808 |
| Loss on prop. demol. | ...... | 7,149 |
| Directors' fees | 1,600 | 1,600 |
| Execut. remun. | 31,502 | ...... |
| Legal fees | 2,866 | ...... |
| | †237,313 | †425,937 |
| Adjustment, invent. | ...... | 100,000 |
| Less other inc. | 18,684 | ...... |
| Deficit for year | 218,629 | 525,937 |
| Less: Prev. surplus | 176,561 | 2,499 |
| Transf. from reserve | 100,000 | 600,000 |
| Transf. from merch. res. | ...... | 100,000 |
| Bal. carried forward | 57,933 | 176,561 |

†Loss.
‡And provision losses on credit sales made during the year.

**Working Capital**

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Current assets | 5,266,103 | 5,737,416 |
| Current liabilities | 1,867,266 | 1,639,341 |
| Working capital | 3,398,837 | 4,098,075 |
| Ratio | 2.82—1 | 3.50—1 |

## Trust and Loan Companies

### *Crown Trust*

Crown Trust Co., Montreal, reports a higher income in 1935 than was the case in 1934, but after providing for expenses, net income available for dividends was $70,319 compared with $72,515 in 1934.

Features of the balance sheet include an increase in capital account of $2,026,267 to $2,430,773; guaranteed accounts secured by mortgages were slightly down from $381,630 to $361,030 and an increase in estates, trust and agency accounts from $23,586,660 to $25,517,366.

The relatively sharp increase in the company's capital account is largely due to an increase in clients' funds on deposits from $574,113 to $974,367.

| Year | Paid-up Capital and Reserves | Net Profits* | Div. Rate | Rate Earned per sh. |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| 1930 | 1,400,000 | 110,815 | 7 | 11.08 |
| 1931 | 1,400,000 | 60,908 | 7 | 6.09 |
| 1932 | 1,400,000 | 71,264 | 7 | 7.13 |
| 1933 | 1,400,000 | 71,672 | 7 | 7.17 |
| 1934 | 1,400,000 | 72,515 | 7 | 7.25 |
| 1935 | 1,400,000 | 70,319 | 7 | 7.03 |

*Taxes deducted.

**Creditors' Position**

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Deposits | 361,030 | 381,630 |
| Secured by: | | |
| First mtge. loans | 361,030 | 381,630 |
| Capital ac. assets | 1,443,406 | 1,443,085 |
| Total | 1,804,436 | 1,824,715 |
| Estates, etc. | 25,517,366 | 23,586,660 |

### *Real Estate Loan*

Earnings of the Real Estate Loan Co. of Canada in the year ended Dec. 31, 1935, were equivalent to $4 a share as compared with $2.30 in 1934. Income at $81,214 was $3,334 under the previous year's level, but reduced expenses and write-offs more than offset this loss. After all charges, including an appropriation of $5,000 as mortgage reserve, profit and loss balance is carried forward at $8,323, as against $3,306 at the beginning of the year.

The balance sheet at the year end shows that debentures outstanding were less than in 1934, most of the decrease being in sterling debentures, which are calculated at a dollar exchange valuation of $4.86 to the pound sterling. Total assets are down $83,578, due chiefly to the deduction from mortgages of a reserve of $25,000. This reserve was apparently set up by a transfer of $20,000 from reserve and the $5,000 appropriation from profit and loss. There was a small actual decrease in mortgages, and an increase of almost the same amount in real estate held for sale.

**Earnings Record**

| Year | Paid-up Capital and Reserves | Net Profits* | Div. Rate | Rate Earned per sh. |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| 1930 | 810,000 | 44,423 | 7 | 8.88 |
| 1931 | 810,000 | 38,802 | 7 | 7.76 |
| 1932 | 810,000 | 44,081 | 7 | 8.82 |
| 1933 | 795,000 | 32,640 | 5 | 6.53 |
| 1934 | 770,000 | 11,502 | 2½ | 2.30 |
| 1935 | 750,000 | 20,017 | 2 | 4.00 |

**Pub. Liabilities and Assets**

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Debentures | 753,239 | 775,766 |
| Secured by assets: | | |
| Liquid assets | 75,058 | 82,432 |
| Mortgages & int. | *1,258,226 | 1,300,099 |
| Other assets | 184,324 | 166,541 |
| Total | 1,517,608 | 1,549,072 |

*After deduction of reserve of $25,000.

### *Capital Trust*

Net profit after taxes of the Capital Trust Corp. increased $2,363 to $45,342 in the financial year ended Dec. 31, 1935. Slightly higher appropriations were made as compared with the previous year, so that profit and loss balance carried forward, at $42,707 is about $600 above the 1934 figure.

Real estate held for sale rose sharply during the year to $414,199, and a depreciation reserve was set up against it amounting to $33,922. Other reserves were increased by $26,595.

Savings deposits and certificates advanced $60,000 from the 1934 total to $5,614,000. Liquid assets also show an increase, cash, government bonds and demand loans amounting to 102.4 per cent of total savings payable on demand. The company states that the number and value of estates under administration have increased, but the completion of specific trusts has resulted in a decrease in the total amount as shown in the 1935 statement.

During the year, the company was appointed trustee for new bond issues of $6,498,000. In 1934, the corresponding total was only $540,000.

**Earnings Record**

| Year | Paid-up Capital and Reserves | Net Profits* | Div. Rate | Rate† Earned per sh. |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| 1930 | 866,183 | 57,585 | 5 | 8.00 |
| 1931 | 1,026,836 | 69,253 | 5 | 8.50 |
| 1932 | 1,037,524 | 42,076 | 5 | 5.24 |
| 1933 | 1,049,882 | 43,149 | 4 | 4.91 |
| 1934 | 1,066,717 | 42,979 | 3 | 4.86 |
| 1935 | 1,084,235 | 45,342 | 3 | 5.13 |

†On average capital.
*After deducting management expenses and provision for taxes, but before amount written off equipment, etc.; and before reserve for accrued taxes in 1930 and 1931.

**Pub. Liabilities and Assets**

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Trust certifs. & int. | 3,575,748 | 3,628,299 |
| Trust savings | 2,038,721 | 1,926,044 |
| Total | 5,614,469 | 5,554,343 |
| Secured by assets: | | |
| Liquid assets | 1,877,818 | 1,525,828 |
| Mortgages & int. | 3,736,652 | 4,028,515 |
| Net cap. assets | 1,026,942 | 1,018,530 |
| Total | 6,641,412 | 6,572,873 |
| Estates, etc. | 9,809,173 | 10,642,282 |

### *Brockville Trust*

The Brockville Trust & Savings Co. reports net profit on 1935 operations of $39,583, $3,120 lower than in 1934. After dividends of $25,000 and a transfer to reserves of $14,500, surplus was carried forward at $8,332, practically unchanged from a year ago.

No major change is indicated in assets, although all three accounts, capital, guaranteed trust and estates trusts and agency, are higher than in 1934. The item of $31,377 shown in 1934 as investment reserve has been increased to $60,399, and is now shown as a reserve for mortgages, real estate, etc. The $15,000 contingency reserve in last year's statement is not included in 1935.

**Earnings Record**

| Year | Paid-up Capital and Reserves | Net Profits* | Div. Rate | Rate† Earned per sh. |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| 1930 | 756,353 | 48,015 | 3.50 | 4.80 |
| 1931 | 775,834 | 44,778 | 3.50 | 4.48 |
| 1932 | 735,000 | 42,611 | 3.50 | 4.26 |
| 1933 | 715,000 | 37,734 | 2.50 | 3.77 |
| 1934 | 715,000 | 42,703 | 2.50 | 4.27 |
| 1935 | 700,000 | 39,583 | 2.50 | 3.96 |

*After income tax.
†On paid-up capital. Par $50.

**Pub. Liabilities and Assets**

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Inv't. certificates | 251,192 | 227,810 |
| Deposits | 530,020 | 532,907 |
| Total | 781,212 | 760,717 |
| Secured by assets: | | |
| Liquid assets | 209,758 | 218,094 |
| Mortgages & int. | 571,454 | 542,624 |
| Capital acct. assets. | 708,332 | 723,249 |
| Total | 1,489,544 | 1,483,967 |
| Estates, etc. | 558,791 | 505,848 |

### *Trusts & Guarantee*

Earnings of the Trusts & Guarantee Co. in the year ended Dec. 31, 1935, were $105,531 compared with $109,187 in the previous year. This decline was added to by an increase of about 50 per cent in taxes, bringing net profit for the year to $83,605. More than $7,000 was added to profit and loss balance which is now shown at $138,918.

The balance sheet shows mortgages at a lower figure than in 1934, with a substantial rise in real estate held for sale. In the guaranteed account, municipal debenture holdings have been cut $222,000, but cash has been increased from $374,699 to $620,864. Both deposits and investment certificates are higher than in the previous statement.

**Earnings Record**

| Year | Paid-up Capital | Net Profits* | Div. Rate | Rate Earned per sh. |
|---|---|---|---|---|
| 1930 | 1,976,770 | 153,205 | 6 | 7.75 |
| 1931 | 1,977,587 | 129,883 | 6 | 6.57 |
| 1932 | 1,977,887 | 86,997 | 4 | 4.40 |
| 1933 | 2,547,887 | 70,442 | 3 | †3.36 |
| 1934 | 2,548,287 | 94,197 | 3 | 3.70 |
| 1935 | 2,548,287 | 83,605 | 3 | 3.28 |

†On capital of $1,977,887 outstanding until purchase of Union Trust Co. as of December 31, 1933.
*After deducting cost of management, advertising, general expenses, salaries, directors' and auditors' fees and taxes.

**Public Liabilities and Assets**

| | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Invest. certificates | 7,097,064 | 7,077,223 |
| Deposits | 2,771,385 | 2,611,290 |
| Total | 9,868,449 | 9,688,513 |
| Secured by amts.: | | |
| Liquid assets | 2,574,290 | 2,381,811 |
| Mtges. & int. | 6,930,437 | 7,066,380 |
| Real estate for sale | 363,722 | 240,321 |
| Net capital ac. assets | 2,687,206 | 2,680,049 |
| Total | 12,555,655 | 12,368,562 |
| Estates, etc.* | 45,173,452 | 43,821,735 |

*Including $12,873 due to company's funds in 1934; $3,382 in 1933.

Continued Progress in 1935

| Year | Capital and Reserve | Estates and Trusts under Administration | Savings Accounts | Total Assets |
|---|---|---|---|---|
| 1918 | $ 434,492 | $ 1,060,880 | $ 448,335 | $1,959,793 |
| 1922 | 639,819 | 3,688,338 | 1,282,328 | 5,610,486 |
| 1926 | 719,294 | 5,908,285 | 2,708,655 | 8,336,648 |
| 1930 | 933,690 | 9,138,215 | 5,146,249 | 15,218,670 |
| 1934 | 1,135,947 | 10,642,282 | 5,554,343 | 17,332,573 |
| **1935** | **1,154,685** | **9,809,174** | **5,614,469** | **16,587,157** |

**CAPITAL TRUST**
**Corporation Limited**
MONTREAL OTTAWA TORONTO
*Under Dominion Government Inspection*

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DRIVE A NEW DE SOTO

**DE SOTO**

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**OFFICIAL CHRYSLER MOTORS COMMERCIAL CREDIT CORP. 7% TIME PAYMENT PLAN**

You can figure it out for yourself. 1. Start with your unpaid balance. 2. *Then add insurance cost. 3. Then multiply by 7%—for a 12 months' plan. Costs for longer or shorter periods in proportion.

* In some provinces a small legal documentary fee is required. NO OTHER CHARGES.

## MELCHERS DISTILLERIES LIMITED

**BOARD OF DIRECTORS**

Hon. Victor Marchand, M.L.C.
*President.*
J. Alderic Raymond
*Vice-President.*
Frederick W. Roffey
*Secretary.*
Stanley Johnston
L. Eugene Potvin, C.A.
J. Alfred Ouimet
Albert Hudon

To the Shareholders:

I take pleasure in enclosing herewith, on behalf of the Board of Directors, the Annual Report of your Company covering its operations during the fiscal year ended December 31st, 1935.

You will be gratified to see that the financial position of your Company is again much improved over that of the previous year. You will note in the enclosed statement that cash on hand, in banks and on call loan amounts to $240,143.27, whereas cash on hand, etc., as at December 31st, 1934, amounted to $115,902.61. Furthermore, in the statement dated December 31st, 1934, the total of Bills and Accounts Payable and other accrued liabilities amounted to $1,534.31 whereas in the enclosed statement this item amounts to only $962.50. In other words, your Company is now practically in a 100% liquid position.

Domestic sales of GOLD CROSS Geneva Gin, LONDON CLUB London Dry Gin, and THREE CASTLES Extra Special Liqueur Whisky continue to increase. Your Company has recently accepted the agencies for the Province of Quebec of the following imported brands:—

- ROSS'S IRISH SLOE GIN
- SANDERSON'S VAT 69 SCOTCH WHISKY
- WM. GRANT & SONS — LIQUEUR SCOTCH WHISKY
- WM. GRANT & SONS — BEST PROCURABLE SCOTCH WHISKY

As had been expected for some considerable time and as you no doubt read in the daily newspapers, a trade agreement was signed between the United States and the Dominion of Canada giving amongst others, a reduction in the United States duty on Canadian whisky of $2.50 per U.S. Proof gallon, effective January 1st, 1936. We feel confident that this reduction in duty will stimulate the demand for Canadian whisky although it is impossible at this early date to forecast exactly how much effect it will have.

As you know, your Company was able to declare a dividend of 50c per share on account of the arrears in dividends.

Your properties have been well maintained, are in good condition and well insured.

I wish to take this opportunity of expressing the appreciation of your Board of Directors for the faithful work of the officials and employees of the Company and for their hearty cooperation in coping with the difficult problems surrounding the affairs of your Company in common with those of all distilleries.

Yours faithfully,
V. MARCHAND,
President.

**BALANCE SHEET**
*as at December 31st, 1935*

**ASSETS**

| | | | |
|---|---|---|---|
| Current: | | | |
| Cash on Hand and in Banks | | $ 40,143.27 | |
| Call Loan, fully guaranteed | | 200,000.00 | |
| Accounts Receivable | $86,168.48 | | |
| Less: Reserve for doubtful Accounts | 2,000.00 | 84,168.48 | |
| Inventories of Matured and Unmatured Spirits, Raw Materials, Manufacturing and Other Supplies, valued at not more than cost, less allowance for ullage and shrinkage of Bulk Whiskey | | 697,133.21 | $1,021,444.96 |
| Deferred Charges: | | | |
| Unexpired Insurance, Taxes, and Other Prepaid Items | | | 5,002.69 |
| Fixed: | | | |
| Land, Buildings, Machinery and Equipment | | 1,747,346.60 | |
| Less: Reserve for Depreciation | | 329,364.69 | 1,417,981.91 |
| Trade Marks, Formulae, Patents, Goodwill | | | 1,555,200.00 |
| | | | $3,999,629.56 |

**LIABILITIES**

| | | | |
|---|---|---|---|
| Current: | | | |
| Accounts Payable and Accrued Liabilities | | | $ 962.50 |
| Capital Stock: | | | |
| Class "A"—Authorized and issued: 100,000 shares of No Par Value.<br>Class "B" authorized and Issued: 50,000 shares of No Par Value | | $4,377,048.01 | |
| Less: Adjustments, authorized by the Directors, made in 1931 and 1933 | | 467,240.50 | 3,909,807.51 |
| Special Reserve Account: | | | |
| Being Deposit forfeited upon cancellation of Contract of Sale | | | 50,000.00 |
| Earned Surplus Account: | | | |
| Balance at credit 1st January 1935 | | 42,356.14 | |
| Deduct: Prior year adjustments: | | | |
| Income Tax paid for year 1934 | $12,251.75 | | |
| Reversing profit taken up in 1934 on spirits sold under contract but repossessed in 1935 on cancellation of contract | 14,672.71 | 26,924.46 | |
| | | 15,431.68 | |
| Add: Profit from Operations for the year ended 31st December 1935 before providing for Income Tax and Depreciation | 93,053.24 | | |
| Less: Depreciation written off | 19,625.37 | 73,427.87 | |
| | | 88,859.55 | |
| Less: Dividend No. 9 paid for Quarter ended 15th March 1931 on Class "A" Shares | | 50,000.00 | |
| Balance at credit 31st December 1935 | | | 38,859.55 |
| NOTE: Arrears of Dividends on Class "A" shares, $9.50 per share. | | | $3,999,629.56 |

Approved on behalf of the Board: L.E. POTVIN, V. MARCHAND, Directors.

**AUDITORS' CERTIFICATE**

MELCHERS DISTILLERIES LIMITED, Montreal.

We have examined the books of account and financial records of Melchers Distilleries Limited for the year ended 31st December, 1935 and have received all the information and explanations required by us.

No provision was made for Depreciation of Buildings and Machinery during the period 1st January 1930 to 31st December 1934. Operations for the year 1935 have been charged with Depreciation of Buildings and Machinery to the extent of $16,995.70, this amount being equivalent to 1% of the book value of these assets. As in past years full provision has been made for Depreciation of Automobiles, Office Furniture and Fixtures and Stable Equipment.

The Inventories of Spirits, Materials and Supplies on Hand have been certified to be correct by responsible officials of yourCompany.

Subject to the foregoing, we certify that, in our opinion, the attached Balance Sheet as at 31st December, 1935 sets forth a true and correct view of the financial position of the Company at that date, according to the best of our information and the explanations given to us, and as shown by the books of the Company.

Montreal, 14th January, 1936.

P. S. ROSS & SONS,
Chartered Accountants.

# Flour Milling Stocks

## Advance in Securities Reflects Improvement in the Trade—Road to Recovery Still Marked With Major Obstacles

By JOHNSTON GILROY

Quick to scent even a hint of long range profits the market for Canadian flour milling securities has been unusually bullish in the last few months. Stocks which met only a listless demand early in 1935 have forged sharply upward and are now selling around the top of this advance.

Lake of the Woods common could have been bought for seven in the last year. It is now over $17. Maple Leaf has advanced from 40 cents to $2.25. St. Lawrence Flour, which dropped to a low of $30 in 1935 is currently quoted around $40 while Western Canada preferred has come up from $20 to about $60.

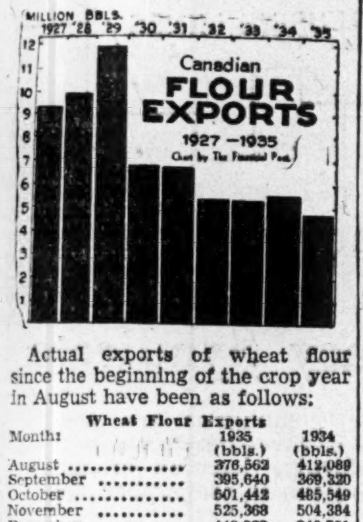
Is such an advance justified?

Is it a mere prelude to what may still be expected?

### Results of Operations

Actual operations of the milling industry since August 31, the end of the fiscal year for most milling companies, doesn't bear out the stock market optimism displayed since that date.

There has been a slight gain (about six per cent) in exports over the previous year and the domestic situation is generally admitted to be in a healthier condition. But these are comparisons with one of the most discouraging years in Canadian milling history. The small chart graphically illustrates what ground must still be recovered before anything approaching the volume of 1928-29 is achieved.



Actual exports of wheat flour since the beginning of the crop year in August have been as follows:

**Wheat Flour Exports**

| Month: | 1935 (bbls.) | 1934 (bbls.) |
|---|---|---|
| August | 376,562 | 412,089 |
| September | 395,640 | 369,320 |
| October | 501,442 | 485,549 |
| November | 525,368 | 504,384 |
| December | 443,828 | 340,751 |
| Total | 2,242,840 | 2,112,747 |

### Export Important

Lest anyone run away with the idea that the export market is not important, however, an investigation of this market over the last ten years and a comparison with total flour production should dispel these doubts. Figures are as follows:

**Flour Exports and Production**
(Crop year ending Aug. 1)

| | Exports (bbls.) | Total Production (bbls.) |
|---|---|---|
| 1935 | 4,750,000 | 14,119,000 |
| 1934 | 5,455,000 | 14,955,000 |
| 1933 | 5,371,000 | 14,896,000 |
| 1932 | 5,383,000 | 14,866,000 |
| 1931 | 6,702,000 | 14,887,000 |
| 1930 | 6,778,000 | 16,594,000 |
| 1929 | 11,809,000 | 19,756,000 |
| 1928 | 9,799,000 | 20,389,000 |
| 1927 | 9,237,000 | 18,787,000 |
| 1926 | 10,457,000 | 19,056,000 |

From this it will be seen that Canada usually consumes about 10 million barrels of flour annually. Price does not make much difference. Whether bread is seven cents or eleven, each citizen of this country accounts for about a barrel of flour every year. Production beyond that must be exported.

### Need For Recovery

Back before 1930 Canada exported about 10 million barrels of flour per year. At this rate the mills were operating at about 85 per cent capacity or about 300 days per year. Securities in these companies were then selling at figures which even today sound almost fantastic.

Last year the mills were operating at less than 50 per cent capacity and exports fell well below five million barrels.

To warrant present prices for most milling securities some of this old export ground must be regained. The industry is one that depends on volume and particularly volume in the export field where competition is always keen and profits extremely narrow.

Indeed Canadian millers declare that they can export at a small loss, if there is enough volume to relieve the more profitable domestic market. It was this lack of export since 1930 that has bedevilled the whole industry. With half of the old export to Great Britain and the West Indies gone, more and more the big mills turned to the domestic field. The result was that prices were cut so low that red ink replaced black in making up most financial statements.

### Conditions Better

Today, conditions have admittedly improved. Relations in the domestic field are better. A new wheat board at Ottawa is sympathetic. It realizes that Canadian flour is usually the spearhead for Canadian wheat in the foreign markets of the world. Get in flour, it is stated, and soon the local mills will have to start bolstering their mix by the inclusion of Canadian hard wheat.

No longer is Canadian wheat being held at anything up to 30 cents per bushel above Argentine and Australian prices. It was such a premium that gave English millers a chance not only to capture a larger share of their own market but to cut in on other Canadian export fields as well. English millers were even able to lay soft wheat flour down in Canada at prices under that quoted by Canadian mills.

### Obstacles in Road

There are obstacles to be cleared away, before another four million barrels—and Canadian millers think that such a gain is necessary—can be added to our present export flour trade.

During any conversation with any one of Canada's big millers the subject of freight rates will come up. The Englishman from Liverpool, the interviewer is told, can lay his flour down in the West Indies at considerably less cost than can the Canadian miller shipping from Halifax, though the distance from the first named port is twice that from Halifax. Canada used to sell the West Indies about a million barrels per year. Now this trade is only about half that.

It is confidently expected that some adjustment in these freight and ocean rates will soon be made. All of them, including the ocean rate to the West Indies, via Canadian government steamers, are within the jurisdiction of the authorities at Ottawa.

### Overcoming Prejudice

Another handicap is the prejudice which has developed among English millers and to a certain extent among English bakers, against Canadian wheat and flour. This developed in the first place when there was, what is stated to be, an unjustified spread between the prices of Canadian and other wheats. The English baker, reluctant to raise the price of bread, sought a cheaper flour and the English miller found it.

Under the energetic promotion of the new Canadian Wheat Board this antagonism of Old Country millers is being broken down. A special representative of the board is working in Great Britain on this very problem. It is admitted, however, that it will take time. As more Canadian wheat and flour enters Great Britain, however, the effect will be cumulative. In order to protect their trade bakers will demand that the flour they buy be brought up to the Canadian standard. One man cannot sell soft wheat bread when his neighbor has something decidedly better.

### Will Take Time

All in all the Canadian milling trade appears to be on the road back, but those engaged in the business invariably caution that the convalescence will take time.

Below the current position of securities of the major Canadian milling companies is summarized:

### International Milling

International Milling Co. has only $4.5 millions of five per cent preferred stock outstanding in the hands of the public. There are 100,000 common shares, outstanding, but none available for public investment.

Throughout the depression of business in general and flour milling in particular, the company has earned the dividend on its preferred shares by the proverbial mile. In the 1935 year, for instance, earnings were equivalent to $28.81 a share on the new five per cent preferred.

The stable record of International Milling is due partly to good management, partly to the peculiar circumstances of the company. Since the greater part of the company's milling is carried on in the United States, it did not feel the full effect of adverse conditions for Canadian millers. Then again, its Canadian milling business—Robin Hood Mills Ltd.—was aided by revenue obtained from storage of grain in the company's large western terminals. If it now loses part of storage revenues, it would benefit from improved Canadian milling conditions.

The preferred shares at about 104 can be regarded as a stable investment in flour milling.

### Maple Leaf Milling

Maple Leaf Milling Co. is endeavoring to rehabilitate its fallen fortunes under a five-year plan of relief conceded by bondholders and bank creditors in 1934. The company has been in straitened circumstances. It is of particular investment interest because the variety of its securities is greater than for any other major milling company in Canada.

This is the capitalization:

**Maple Leaf Milling Capital**

| | |
|---|---|
| 5½% 1st mortgage bonds | $4,620,500 |
| Class A pfd. stock, no par | 42,084 shs. |
| Common stock, no par value | 250,100 shs. |
| Management stock, no par | 3 shs. |

The company's bonds are paying 2¾ per cent cash interest each Dec. 1, and the other half interest in class A stock each June 1. Thus, the issue of A shares for interest will gradually increase the number outstanding. The bonds are selling at about 55. Last year earnings were only $28,000 after depreciation, gravely short of the cash bond interest of $134,372. This year there has been some improvement, but not enough to warrant optimism.

### Class A and Common

The class A shares being issued to bondholders are entitled to dividends of 70 cents a share annually. There is no prospect of any payment at present, and the dividend is not cumulative until Dec. 1, 1938. By that time, the company may have got back on its feet, or else some further capital readjustment may be necessary. The A shares sell at $5 each, are callable at $17½.

Common stock of Maple Leaf Milling Co. has been selling between $1.50 and $2 a share. Naturally, there is no expectation of dividends on this.

The company's banking position is involved. First, it has a current loan of some $3.6 millions on which full cash interest is required. Then there is a loan of $2 millions upon which payment has been deferred. Only one per cent cash interest is paid on this, the remaining interest being met in class A shares as in the case of the bonds.

Even with deferment of this loan, the company had a deficiency of $859,000 in working capital in 1935. Unless this deficiency is repaired before 1938 when the relief period terminates, another capital reorganization may be necessary. There is some opinion that another reorganization will be found unavoidable.

### Outlook For Securities

The bonds yield about five per cent on a cash basis. They give the investor some return and a chance to share in whatever recovery there may be. The class A shares that are issued to bondholders and bank creditors, or which may be bought at about $5 each, represent a gamble in the company's recovery.

The company's common shares have the outside chance. A full recovery for the company, which cannot yet be foreseen, might eventually make them valuable. Another reorganization might mean dilution or reduction of the common stock.

Canada Bread Co., important Maple Leaf subsidiary, is doing better, and if the improvement continues, it should eventually mean income for the milling firm. For the present, however, Maple Leaf is getting little direct benefit.

Maple Leaf Milling Co. once had substantial earnings year after year. Its troubles originated with enormous losses in 1929 due to unauthorized speculations by former officials. While the present management is considered efficient, disturbances in the milling trade have prevented any major recovery.

### Lake of the Woods

Lake of the Woods Milling Co. is a contrast in high earning power and depleted working capital. Its $1.5 millions of preferred stock and 147,689 common shares have a wide investment following, and one day there may be a bond issue available for public consumption. At present, only the preferred and common stock are outstanding.

In 1930 and 1931, the company took huge losses, partly due to price-cutting and disastrous competition abroad, but also due to losses in the wheat market, bad debts, and to writing down of inventories because of the decline in value of wheat and flour. This is the record after all fixed charges:

**Lake of the Woods Profits and Surplus**

| | Net profits $ | Earned surplus $ |
|---|---|---|
| 1928 | 614,588 | 793,522 |
| 1929 | 831,941 | 1,000,518 |
| 1930 | 113,412 | 536,450 |
| 1931 (Loss) | 1,426,946 | 536,353 |
| 1932 | 111,369 | 604,888 |
| 1933 | 300,698 | 905,586 |
| 1934 | 402,371 | 1,307,957 |
| 1935 | 322,325 | 1,630,282 |

Annual preferred dividend requirements are $105,000. Results of the losses of 1930 and 1931 were that dividends on both preferred and common shares stopped. Four years' profits were ploughed back into the company to wipe out a deficiency of $1,658,000 in working capital. Now that the deficiency has been eliminated, full annual dividends have been resumed on the seven per cent preferred shares. This still leaves a surplus of earnings to go into working capital. It also leaves $28 a share of dividend arrears on the preferred.

### Position of Shares

The preferred shares are selling between $125 and $130 in anticipation of payments of arrears of dividends; either in cash, or by issue of securities in lieu of cash arrears. The preferred offers a yield of nearly 5½ per cent, and carries an additional attraction in the possibility of liquidation of arrears.

Common shares of the company are selling at about $17, having risen because of improvement in the position of the company and in the flour milling industry. Only six years ago, dividends of $3.20 a share were being paid annually and the stock was selling at $30 to $40 a share. The situation of the preferred clearly prevents payment of common dividends. Meanwhile, however, the common has attractions for the investor who is willing to take a risk, or who would prefer to hold non-dividend securities in preference to paying large income taxes.

The bank loan has been whittled down from $3.9 millions in 1930 to less than $2.9 millions. There has been talk of liquidation of this by issue of bonds now held by banks as security. This would leave the way open for bigger payments on the preferred and eventually for common dividends. The company's unfortunate losses in wheat and flour in 1930 and 1931 may now be chalked up to experience.

### Ogilvie Flour

Ogilvie Flour Mills Co. has a modest capitalization of $2 millions of non-callable, seven per cent preferred stock and 75,000 common shares of no par value. In the 1926-1930 period, net profits ranged from $1 million to more than $2 millions annually. Since then, profits have been held around $750,000 annually. The preferred dividend has been earned over five times each year, and the dividend of $8 a share on the common has been covered by a slim margin.

Total income in 1935 was slightly over $1¼ million, over one-quarter of the total coming from investments and from dividends paid by wholly-owned subsidiaries. This investment income has been an important factor in stabilizing net profits at a time when flour milling has been subject to strongly adverse influences.

### Investment Outlook

Improvement in milling, and in bakeries which contribute to the Ogilvie revenue, give ground for hopes that net profits can be increased. Management of the company has been conservative but efficient.

The preferred stock sells above 150 because of the wide margin by which the dividend is covered. The yield is about 4.5 per cent. The price of the shares depends largely on the level of interest rates and bond yields. As long as only 3½ or 4 per cent is available on high quality bonds, Ogilvie preferred can be expected to remain at a high level.

Ogilvie common sells above $200 a share as a stable investment medium with possibilities of increased returns. The fact that yields on other securities are low tends to keep the common shares at a high level. An important contributing factor, however, is the ultimate possibility of "extra" dividends, which ranged from $3 to $17 a share between 1925 and 1930.

### St. Lawrence Flour

St. Lawrence Flour Mills Co. has practically wiped off its small bond issue. There is $575,000 of non-callable, seven per cent preferred stock. It sells at about $125 a share, yielding over 5½ per cent. Earnings even in the depression have run at approximately twice the preferred dividends.

The common stock consists of 12,000 shares of $100 each. The dividend on these was eliminated between 1926 and 1932. Then $1.50 a share was paid in 1933 and 1934, and now the rate is $2 a share annually. Between 1919 and 1924 regular dividends were $6 a share and "extras" ranging as high as $14 a share were paid.

### Operates in East

St. Lawrence Flour operates in Montreal and is an important factor in supplying flour to the four eastern Canadian provinces. It also does an export business, but has not been affected as seriously by the disturbances of flour prices abroad as have other Canadian milling companies.

The common shares sell at $40 each, yielding five per cent on the present dividend. The management and operations of the company are relatively stable.

### W. Canada Flour

Western Canada Flour Mills, in addition to flour milling, carries on a grain business, and operates bakeries and a table salt business through subsidiaries. There has been some improvement in the flour milling situation and in bakeries. The salt business has been unsettled.

The company encountered heavy weather in the depression. Working capital fell to $688,000 in 1935 from $1.5 million in 1931. Partial dividends were paid on the preferred shares for a time, but have now stopped entirely.

There are no bonds outstanding, and the company has reduced its bank loan which stood at $609,000 last year. The senior security of the company is $2,413,000 of 6½ per cent preferred stock. Arrears of dividends of $12.75 a share have accumulated.

### Past Earnings

In good years, the company has earned the preferred dividend over three times. The peak earnings in 1929 amounted to $22.50 a share on the preferred. Recently the preferred has risen from less than $30 a share to about $60, apparently on expectations of a better showing in the current year.

### Common Share Hopes

Western Canada Flour common has approached $10 a share because of somewhat better conditions in flour milling. The highest dividend rate on the present stock was $1.40 a share from 1927 to 1930. There is no early prospect of payment on the stock. This is one of those securities, however, which may eventually return capital profits, depending on conditions in the company and in milling.

If pre-depression earnings were recovered, the prospect of some return on the common shares would tend to strengthen the price. This must be the hope of the common shares. The company has a good deal of ground to recover, but the direction and management is well regarded, and the company's long history shows a capacity to earn substantial dividends, given normal conditions.

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# Pools Paid, Wheat Board Absorbs Loss

## Government Out $16.5 Millions on Operations to Dec. 2

## MAY BE HIGHER

## Wheat Pools Turn Over 248 Million Bushels to Government — $8 Millions Payment Remote

From Our Own Correspondent

OTTAWA.—With scores of millions of bushels of wheat unsold, the new Wheat Board has paid off the Wheat Pools. It has accepted on behalf of the Dominion government a cash loss of $16.5 millions.

The cut-off as between the new Wheat Board and the old one was made on Dec. 2, a few days after the new Wheat Board took over. As at this date, all the wheat futures taken over by the board were valued at the market price. The physical wheat taken over was also valued at the current market price and as the wheat pools were the actual owners, the new board paid them off. Payment, it is learned, was made on Jan. 10.

### Now Owned Outright

The net loss to the taxpayer on account of the cut-off is $16.5 millions. The wheat had cost the government just that much more (initial cost plus carrying charges) than the market price on Dec. 2. Any loss incurred after Dec. 2 will be the government's. The wheat pools have disappeared entirely from the picture. If the unexpected should happen and, due to a sudden rise in prices, there should be a profit on the sale of the stocks now owned by the board, this profit would belong to the government.

The government realizes, of course, that the wheat gamble of the past five years is not yet ended. The final outcome must await sale of present wheat stocks approximating 248 million bushels. It is evident that only a substantial rise in price will avert further and very substantial losses to the treasury. The wheat board took over at a price fractionally higher than 87 cents per bushel. It costs about 5/6 cents per month to carry wheat, either physical wheat or wheat in futures, and this amounts to a lot of money in the course of a year where enormous quantities of wheat are involved.

### Clarifies Situation

The cut-off terminates an anomalous situation whereby the old wheat board was acting as the agent of the wheat pools. The situation was that if the board disposed of the wheat at a profit, this profit would accrue not to the treasury but to the pools. If there was a loss — as there has been —the treasury would have to pay the full shot.

The cut-off also will have a pronounced effect upon the government's attitude toward the $8 millions which the Bennett government proposed to pay to the wheat pools immediately prior to the general election. The Bennett government agreed, subject to audit of the wheat operations, to pay this sum to the pools in final settlement for the pool wheat held by the old board. It is plain that, in view of the admission of a heavy loss for which the government has accepted responsibility, the payment of $8 millions is now more remote than before.

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# Week In Wheat

## *Market Dull*

• • • •

## *Shipments Small*

From Our Own Correspondent

WINNIPEG.—The past week has been a dull one in the wheat market. There has been some buying by overseas interests for forward shipment, with sales of probably corresponding amounts by the Canadian Wheat Board. But the total has not been large, and during some fairly long periods the market has been almost stagnant.

• • • •

North American shipments last week at 3½ million bushels constituted almost half the world total. The latter, however, was disappointingly small. The principal depressing factor in the situation is the low level of continental buying. Various countries are getting along with smaller quantities of imports than had been estimated.

The lack of speculative interest in United States Markets is to some extent a weakening factor in the international market. Flour buying is unexpectedly slow. The general uncertainty which prevails as to the future agricultural programme of the country seems to have dampened speculative investment.

### *To Push Sales*

INVITATIONS have been received by various branches of the grain trade to the conference, called for February 25 in Winnipeg, by Hon. W. D. Euler, Minister of Trade and Commerce. This will consider promotional work on behalf of the sale of Canadian wheat. Active study of the matter will be going forward during the intervening time.

* * *

### *Argentine Lags*

ARGENTINA continues both to sell and to ship wheat at a very low rate. That country for the present appears to be very little concerned about marketing this grain. The chief anxiety there is to continue exporting corn in large quantities in order to get old crop supplies down to a minimum before the expected large new crop is ready for market. A sufficient volume of trading in new crop Argentine wheat does not appear to have taken place to establish its comparative values on world markets. A few transactions appear to have taken place on a price basis that will let the Argentine Government Board out without loss on its payment of the minimum price recently established. That seems to put selling in Great Britain, where the duty on non-Empire wheat is six cents a bushel, at a disadvantage compared to Australian and Canadian wheat. On the Continent, where no such differential position exists, Argentine wheat is undersold by all except the highest grades of Canadian wheat, and also by Australian wheat.

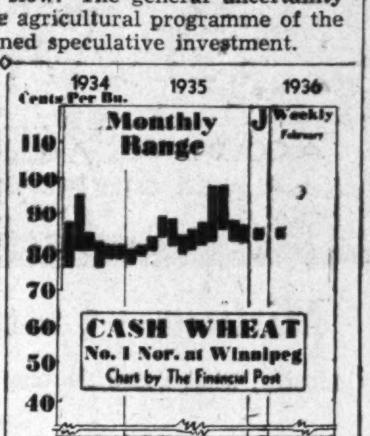
Last year at this time there were probably more than 20 million bushels of Argentine wheat on the way to European markets, as against about four million at the present time.

* * *

### *European Wheat*

OVER Europe as a whole prospects are considered poorer for wheat production than during several years past. The condition is most marked in France. Weather in succeeding months will, of course, have a great deal to do with the out-turn, and especially the weather to be experienced at harvest time. On this continent drought is the enemy most feared by the wheat producer, for although rust and frost take their toll in exceptional years, the moisture supply is, year in and year out, the principal limiting factor. But the corresponding dread in Europe is a wet harvest. This is capable both of cutting down the total yield of grain and of greatly impairing its quality.

Europe as a whole is not subject to the great variation in wheat yields as are common in North America, Argentina and Australia. Nevertheless with a total European production of wheat which in recent years has run from 1,450 million to 1,700 million bushels, a poor season might easily make a difference in total yield which would reduce total world supplies by more than a Canadian crop failure.



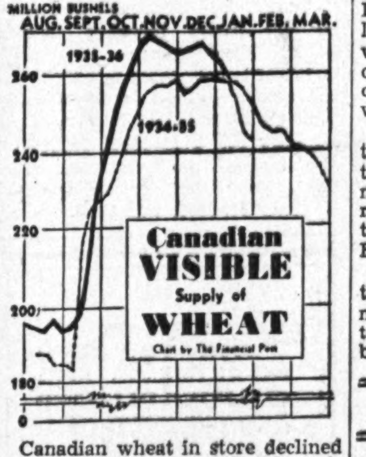
* * *

### *Watching U. S. Crops*

WITHIN a few weeks an important new factor will enter the wheat market in estimates of the condition of the United States winter wheat. There is nearly always a loss of several million acres of seeded wheat owing to winter killing, but the area so lost may rise as high as ten million acres. Winter killing as a rule might be more properly described a spring killing, for the greater part of it occurs after weather commences to get warm. The wheat crop can stand a great deal of cold weather, but alternate thawing and freezing in the spring can kill it.

The size of the United States crop will be extremely important to Canada. If wheat production there is only equal to normal requirements, or not greatly above, Canada will not meet with competition from United States exports on world markets. With Argentine and Australian wheat practically out of the way by the time a new crop year begins here, Canada might be in a position, in 1936-37 to do a record year's exports. But if the United States is going to have a surplus big enough to keep prices in that country down to an export basis, the outlook for Canada would be less encouraging. It is worth noting that whereas for a long time Chicago July and Winnipeg July prices tended to run almost exactly even, a slight spread is now developing. That is to be interpreted as indicating at least some opinion in the United States that a new crop year may not bring that country again on to an export basis in wheat markets.

### Moving Slowly



Canadian wheat in store declined slightly over four million bushels last week. While this brings the visible supply in Canada below the figure at this time a year ago, the movement as illustrated by the above chart has slowed down during the last few weeks.

To bring Canada's carryover at the beginning of the next crop year in August down to around 100 million bushels, or what is regarded as a minimum for a comfortable situation by most grain men, sales will have to be stepped up to around five million weekly. Export clearances amounted to slightly over four million bushels.

Details are as follows:

| Jan. 31 | Week previous | Year ago |
|---|---|---|
| **Canadian Visible (bushels)** | | |
| 244,506,000 | 247,784,000 | 245,853,000 |
| **Export Clearances** | | |
| 4,046,000 | 3,194,000 | 2,218,000 |

## I. P. of Newfoundland Power Plant Damaged

From Our Own Correspondent

MONTREAL. — International Power and Paper Co. of Newfoundland's main power plant at Deerlake will be out of commission throughout the greater part of this month, owing to damage done by flood waters.

The flood waters smashed through the penstock, 4,000 feet long, and then washed through a sluice gate near the Deerlake power plant, disrupting power service to International's newsprint mill at Corner Brook, twenty miles away.

Officials of the company estimate that it will take approximately a month to repair damage to generators and other machinery inundated by the flood.

## Wheat Prices

(Cash Quotations)

| | For Week Feb. 4 High $ | Low $ | Prev. week High $ | Low $ |
|---|---|---|---|---|
| **At Winnipeg:** | | | | |
| 1 Man. Hard | .85½ | .84¼ | .86⅛ | .85⅝ |
| 1 Northern | .84¼ | .83¼ | .84⅞ | .84½ |
| 2 Northern | .82¼ | .81 | .82⅞ | .82¼ |
| 3 Northern | .78¼ | .77 | .78⅞ | .78½ |
| 4 Northern | .75¼ | .74 | .76⅛ | .75⅝ |
| 5 Wheat | .67 | .66 | .67⅞ | .67⅞ |
| 6 Wheat | .58¼ | .57 | .59⅜ | .58⅞ |
| Feed Wheat | .48¾ | .47½ | .49⅝ | .49⅛ |
| **Vancouver: Week to Jan. 31:** | | | | |
| 1 Northern | .86⅝ | .85½ | .87½ | .86⅝ |

Competitive Export Prices: (Jan.-Feb.) shipment:

| | High Week to Jan. 31 $ | Low $ |
|---|---|---|
| No. 1 North. (Vanc.) | 1.03 | 1.02⅞ |
| No. 2 North. (Atlan.) | 1.00⅛ | 0.99⅜ |
| No. 2 North. (Vanc.) | 1.03⅛ | 1.01⅝ |
| Argentine Rosafe* | unquoted | |
| Do., Barusso† | 1.00⅝ | 1.00½ |
| Australian | 0.96⅞ | 0.96⅜ |
| Australian (March) | 0.95⅜ | 0.94⅜ |
| French | 0.83⅛ | 0.81⅛ |

*New crop, shipment Jan.-Feb.
†Feb.-Mar.

## Winnipeg Grain Prices

Week to Feb. 4, 1936

| Crop year from Aug. 1, 1935 High | Low | | Open Jan. 29 | High for week | Low for week | Close Feb. 4 |
|---|---|---|---|---|---|---|
| | | **Wheat** | | | | |
| 1.02¼ | .85⅝ | May | .87⅞ | .87½ | .85⅞ | .86 |
| .92⅞ | .86½ | July | .88 | .88⅛ | .86⅜ | .86¾ |
| .89 | .84⅞ | Oct. | .86½ | .88½ | .84⅞ | .85⅝ |
| | | **Oats** | | | | |
| .35¾ | .29⅝ | May | .32⅝ | .32⅝ | .31¾ | .31¾ |
| .33⅜ | .30 | July | .32 | .32 | .31¼ | .31¼ |
| | | **Barley** | | | | |
| .42½ | .34⅝ | May | .37⅛ | .37⅝ | .36½ | .36⅝ |
| .40 | .35⅝ | July | .38⅜ | .38⅜ | .37½ | .37⅛ |
| | | **Flax** | | | | |
| 1.65 | 1.33 | May | ...... | 1.60⅞ | 1.57⅛ | 1.59⅛ |
| 1.63 | 1.40¼ | July | 1.57⅛ | 1.58½ | 1.54⅛ | 1.57⅞ |
| | | **Rye** | | | | |
| .51½ | .41⅝ | May | .45½ | .45⅝ | .44⅛ | .44⅜ |
| .46¼ | .42⅝ | July | .46⅞ | .46⅞ | .45⅛ | .45⅞ |

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# *Foreign Exchange*

The Canadian dollar held steady in terms of United States funds last week but weakened against most other currencies as the American dollar dipped further.

Interest continues to centre in the United States and France. Weakness of the United States dollar is attributed to three main causes: Proposed government expenditures; settlement of some heavy American accounts in sterling; and lack of support by the stabilization fund. Some claim that the dollar is being kept at a low level to encourage cotton and other exports.

**FOREIGN EXCHANGE AT TORONTO AND MONTREAL.**

| | Par $ | Jan. 27 | Jan. 29 | Jan. 30 | Jan. 31 | Feb. 1 | Feb. 3 |
|---|---|---|---|---|---|---|---|
| U. S. dollar, High | .5906 | 0.99⅝ | 0.99 11/16 | 0.99⅝ | 0.99 11/16 | 0.99 11/16 | 0.99 11/16 |
| Low | .5906 | 0.99 9/16 | 0.99 11/16 | 0.99 11/16 | 0.99 11/16 | 0.99¾ | 0.99 9/16 |
| 1935, High | .5906 | 1.00 1/16 | 1.00 1/16 | 1.00 1/16 | 1.00 1/16 | 1.00⅛ | 1.00⅛ |
| Low | .5906 | 1.00 1/16 | 1.00 1/16 | 1.00 1/16 | 1.00 1/16 | 1.00 1/16 | 1.00 1/16 |
| U. K. pound | 4.8665 | 4.98½ | 4.99½ | 4.99¼ | 4.99¼ | 4.99⅝ | 5.01⅛ |
| Argentina | .4246 | .2758 | .2754 | .2760 | .2760 | .2765 | .2770 |
| Australia | 4.8665 | 3.9820 | 3.9890 | 3.9895 | 3.9895 | 3.9895 | 4.0062 |
| Austria | .1407 | .1805 | .1898 | .1899 | .1903 | .1900 | .1900 |
| Belgium | .1392 | .1702 | .1703 | .1708 | .1706 | .1702¾ | .1703 |
| Brazil | .1963 | .0567 | .0569 | .0564 | .0564 | .0558½ | .0562¾ |
| Czechoslovakia | .0296 | .0418 | .0417 | .0418 | .0419 | .0419½ | .0418¾ |
| Denmark | .2680 | .2226 | .2231 | .2232 | .2232 | .2231½ | .2239¼ |
| France | .0392 | .0665 | .0666 | .0667 | .0668 | .0667 | .0668¾ |
| Germany | .2382 | .4054 | .4065 | .4068 | .4067 | .4065¾ | .4065½ |
| Greece | .013 | .0095 | .0095 | .0095 | .0095 | .0095¼ | .0096¼ |
| Holland | .4020 | .6842 | .6849 | .6853 | .6863 | .6858¾ | .6851 |
| Hungary | .1749 | .2972 | .2961 | .2979 | .2984 | .2972½ | .2977¾ |
| India | .3650 | .3798 | .3790 | .3800 | .3800 | .3800½ | .3795½ |
| Japan | .4985 | .2909 | .2921 | .2917 | .2915 | .2917½ | .2908 |
| Jugoslavia | .1929 | .0231 | .0231 | .0232 | .0232 | .0232½ | .0232 |
| New Zealand | 4.8665 | 4.0222 | 4.0293 | 4.0296 | 4.0296 | 4.0296 | 4.0464 |
| Norway | .2680 | .2506 | .2529 | .2512 | .2512 | .2510¾ | .2520¼ |
| Poland | .1122 | .1903 | .1905 | .1906 | .1910 | .1912 | .1910 |
| South Africa | 4.8665 | 4.9625 | 4.9713 | 4.9718 | 4.9718 | 4.9718 | 4.9926 |
| Spain | .1929 | .1377 | .1379 | .1382 | .1384 | .1382½ | .1382¾ |
| Sweden | .2680 | .2572 | .2577 | .2578 | .2577 | .2576½ | .2586½ |
| Switzerland | .1930 | .3278 | .3287 | .3289 | .3291 | .3289¾ | .3289½ |
| Hong Kong | .5422 | .3286 | .3291 | .3324 | .3274 | .3266¾ | .3266½ |

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# EXPANSION PLANS AT FALCONBRIDGE GET EARLY START

## Hope to Synchronize Underground Work With Higher Output

**From Our Own Correspondent**

SUDBURY.—Construction work on the increased production units at Falconbridge Nickel Mines will be under way almost immediately. Already preliminary work has been commenced on the scheme of expansion which is to give Falconbridge a 25 per cent boost in output by the end of this year. Plans are not fully completed, but the technical staff is advancing them as fast as possible.

The main feature of the programme, of course, is the extension to the 1,000-ton smelter. The building is to be of steel and metal-covered. The existing furnace will be enlarged and a third converter installed to take care of furnace extension. Changes will also be effected in slag disposal and other features of reduction operations.

A second stack will be erected. Construction of the stack will likely be done by contractors. Smelter building will be erected by company workmen.

### To Maintain Milling Plant

Expansion plans do not provide for enlargement of milling plant, it is understood. The mill is now treating approximately 400 tons daily, and this tonnage can be raised conveniently to 500 without any alterations of equipment or building.

Underground development at the eastern workings through the No. 5 shaft is satisfactory. New hoist and compressor and other surface plant recently installed are giving good service. Lateral development of the 500-ft. and 1,200-ft. levels is proceeding, and stations are being cut at the 200, 325 and other intervening levels. A crushing plant has also been established at the 1,200-ft. horizon. The new shaft is a little above the 1,500-ft. level and will not be deepened for the present.

### To Start in October

Operation of the additional production units will be synchronized with the underground development. It is anticipated that the mine will be in a position to divert all hoisting operations from the old shaft to the No. 5 and introduce enlarged production by next October.

The whole scheme will naturally mean increased facilities in other directions, and part of the building programme is the erection of a large boarding house to accommodate 120 men.

A feature of the building will be a dining room in the basement to take care of the feeding of 300 men. Several new residences for staff men are also projected. Over 700 men are on the Falconbridge payroll.

# L. B. United Mines Gets 100 Per Cent Centennial Stock

L. B. United Mines have acquired the outstanding 45 per cent of Centennial Gold Mines stock, the transaction being ratified at a meeting of shareholders of Centennial Gold Mines held in Toronto recently.

Readers of The Financial Post will recall that under the original agreement whereby L. B. United undertook development of the Centennial property, the company acquired 55 per cent of Centennial stock, or 1.1 million shares of the authorized capital of two million shares. Therefore the acquisition of the remaining 45 per cent gives L. B. United Mines 100 per cent control of Centennial.

Officials of L. B. United are understood to be negotiating for the early development of the company's Porcupine holdings. These holdings adjoin Pamour.

# McKenzie Mines Two Tons of Ore For Each Milled

During the three months ended Dec. 31, 1935, McKenzie Red Lake Gold Mines, Red Lake producer, produced bullion to the value of $178,540, the company reports. The milling rate was increased from 125 tons to a daily average of 130 tons.

Underground development work was extended on the 250-, 350- and 450-ft. levels, resulting in additional ore extensions on all three levels. New lenses of ore were exposed both in the main shear and in the west vein structure, total length of new ore amounting to 520 ft.

"No raising," states the report, "has, as yet, been completed between levels, so that it is impossible to offer estimates of new tonnage developed, but generally speaking it can be said that tonnage of new ore will amount to two tons for each ton milled during the period."

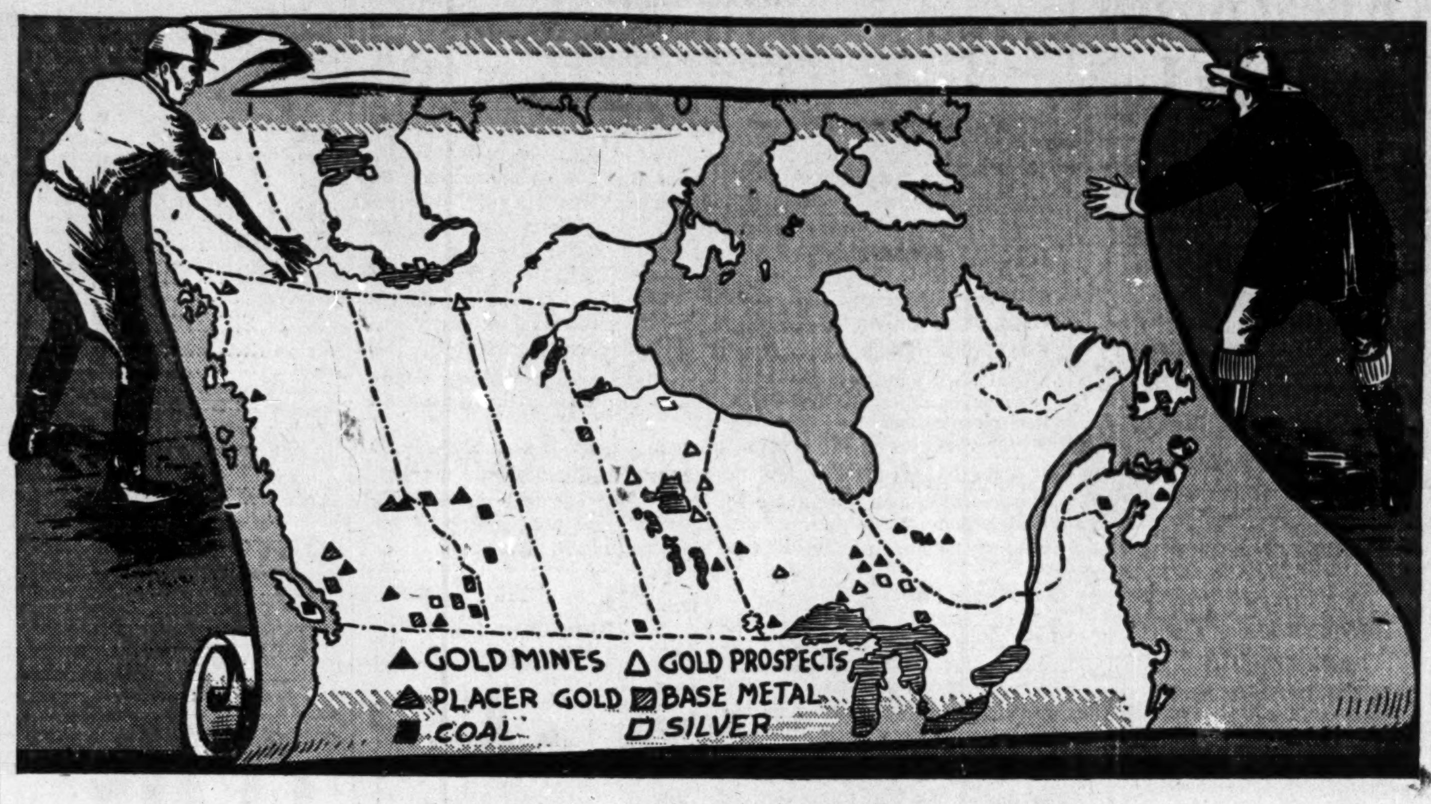
Since milling began in March, McKenzie Red Lake has produced bullion valued at $533,205 in Canadian funds, and during this period the cash position of the company has shown monthly improvement. At the end of the financial year, Dec. 31, the working capital exceeded $300,000.

## Marbuan Transfer Is Now Completed

Shareholders of Marbuan Gold Mines are informed that the transfer of the company's undertaking and assets to Buffalo-Ankerite Gold Mines nas been effected, and 123.472 shares of Buffalo-Ankerite Gold Mines have been allotted to the Trusts and Guaranty Co. Ltd. in trust for the shareholders of Marbuan as of record February 1, 1936, in the proportion of one Buffalo-Ankerite for each six Marbuan shares.

Shareholders are urged to send their Marbuan certificates to the Trusts and Guaranty Company, in return for which they will receive a certificate for Buffalo-Ankerite shares.

# Rolling Back the Frontiers



## Mining—Canada's Pioneer

If Canada had no mining industry, what would the map look like today?

Fifteen per cent of Canada's surface would have something of its present appearance, although it would certainly not be as densely populated nor as active. This is the 15 per cent of Canada in which agriculture is possible.

But what of the remaining 85 per cent?

In many places throughout this 85 per cent, there would be blank spots, about which nobody would know anything.

In isolated centres, a depression-hit lumbering industry might be trying to maintain, with varying success, communities whose fortunes would fluctuate sharply.

A few trappers and hunters would be scattered throughout the north, vestiges of the days when Canada was noted chiefly for her furs.

This, then, would be Canada's north if there was no mining industry.

Fortunately, there is a mining industry, and Canada's map has an entirely different appearance.

The 15 per cent to the south is feeling, as has been shown in previous articles, the stimulus of the frontier sections.

The frontier sections themselves present an almost continuous chain across Canada, slowly pushing back the frontiers.

The mapping of Canada from the air has placed this country in the forefront of this field, a position due entirely to the urge for mine-finding.

Manitoba, long known as the "postage stamp province," now finds one of its greatest sources of revenue from the long despised "hinterland."

Quebec, Ontario, Saskatchewan, Alberta and British Columbia are all feeling the force of this unrolling process.

In the Northwest Territories, on Great Bear Lake, is the most northerly metallurgical plant in the world. Between this outpost and the south is a steady stream of communication.

Steadily, year by year, the Mining Industry is pushing back the frontiers of Canada, rounding out a nation.

# Week In Mining

## *How to Make Money*

• • • •

## *Current Market too High?*

The upward trend in the mining market has now outgrown the title "boomlet" and is beginning to assume the proportions of a full-fledged, eight cylinder "boom."

The index of the Dominion Bureau of Statistics for the week ending January 30 stood at 149.9. This is the highest point attained since 1927, and compares with a point of 120.3 in 1935.

Base metal stocks, on the basis of this index, are at the highest point since 1929, and golds at the highest since 1934.

Are all these stocks worth, from an earnings point of view, so much more now than they were, say, a year ago?

In the case of base metal stocks, which have shown the most rapid advance, the answer, speaking very broadly and collectively, appears to be yes. Higher prices for base metals, and a more favorable industrial outlook have certainly enhanced the possibilities for these stocks in some proportion to their enhanced price.

What of golds?

### *Advance in Golds*

ON THE basis of the D. B. S. index, 20 representative gold stocks have advanced a net of 4.4 per cent over the average price for the corresponding week in 1935.

When one considers the sharp advance registered by such stocks as Pickle Crow, Dome, McIntyre, Macassa, Pioneer, and others, this 4.4 increase appears surprisingly low.

The index is brought down, of course, by the fact that certain stocks, such as Bralorne, Hollinger, Reno, and others are actually selling lower today than they were a year ago.

Glancing over the names of those companies whose stocks have advanced, one is struck by the fact that in every case the property has developed and improved its position during the past year.

Add to this the fact that $35 gold has shaken off to a large degree the instability which surrounded it twelve months ago, and talk of still higher prices is stronger, and it is apparent that the market today, while probably fully appreciative of all possibilities, can hardly be called an inflated one.

* * *

### *Chiboumagau Development*

ENTHUSIASM is a wonderful thing, but when it bears no relation to the known facts, it can, particularly in the case of mining, be a menace.

As a direct result of lack of news regarding the Chibougamau development of Consolidated Mining & Smelting Co., rumors have been running wild; some of the wildest of them actually finding their way into the columns of the less meticulous mining journals. One paper, crediting the news to sources "always found reliable," stated that $55 millions worth of ore had been indicated by drilling at Cedar Bay, and that the grade averaged $25 per ton. This news, it was said, "startled the north country."

And well it might.

As a result of all this, the stock of Chibougamau Prospectors, which represents an equity in Consolidated Chibougamau, which, in turn, owns the property, reached new highs. At one time the stock sold well over 63 cents per share.

Typical of the menacing type of enthusiasm was that which kept Chibougamau stock high even after officials of Smelters had spiked the report of a $55 million ore body. The official statement was rather tardy, in view of the fact that Chibougamau stock has been climbing for weeks.

The statement, however, supports the view taken by the more conservative observers, namely, that the Chibougamau development is a fair enough prospect of the large tonnage, low grade type, and that the fact that Smelters continued to spend large sums on this remote property was indication enough that it was giving satisfaction.

* * *

### *B. C. Market*

IN THE activity taking place on Canadian mining markets, the fact that British Columbia mining issues are lagging, cannot be ignored. What activity there has been is largely confined to inter-listed stocks, such as Premier, Bralorne, and Pioneer.

C. C. Fields & Co., in its daily Vancouver letter, takes notice of this fact, and its economist is inclined to blame too-drastic "blue sky laws." These, it is claimed, have driven the prospector and small promoter out of the province, and have therefore served to stifle new impetus.

It was not so many months ago that the same sort of thing was said of Ontario, where blue-sky laws have been as drastic at least, as in other provinces.

There have been, in the past few weeks, several new issues of importance in Ontario. An examination of the literature used to sell this stock reveals a refreshing absence of the high-pressure style noticeable a few years ago. It is in the matter of prospectuses that Ontario's Security Commission has been most active, and therefore credit for this change can fairly be laid to that body. The fact is that despite the conservatism noticed in the literature and advertisements of these new issues, they have been, in many cases, over-subscribed. This does not look as if the policy of the so-called Blue Sky laws has tended to kill new promotions.

If there is anything wrong with B. C. mining, it is probably largely psychological.

At time of writing, there are, however, indications that the activity so striking in eastern mining markets is gradually being reflected in the west, and the lag may, in time, be less noticeable.

* * *

### *Crerar on the Air*

HON. T. A. Crerar will be heartily endorsed in mining circles for having the courage to go on the air with weekly broadcasts on the mining industry, and its place in the Canadian scheme of things. Mr. Crerar, coming from Manitoba, a province which has felt, to a tremendous degree, the revivifying effects of mining, is in a position to speak with authority, apart from the authority which his position as minister of mines gives him.

The broadcasts are heard every Friday evening at 10.30 over the Canadian Radio Commission.

* * *

### *Index to Mining Stocks*

INTEREST in the mining stock market has continued and most of the issues recorded notable gains. Consequently the price index of twenty-three mining issues mounted from 143.3 for the week of January 23 to 149.9 for the week of January 30. This level represents the highest point attained since 1927. The index for the week of January 31, 1935, was 120.3.

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## Milligan New President Of Manitoba Prospectors

**From Our Own Correspondent**

WINNIPEG.—With a complete slate of officers recently elected, the Prospectors Association of Manitoba is making plans to make the body one of service both to mining men generally and also to the legislative bodies by whom mining laws are framed.

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# MILL OF 200 TONS TO BE INSTALLED AT SEAL HARBOR

## Company Sets Ore Reserves at Two Years' Supply

Directors of Seal Harbor Gold Mines, with property at Goldboro, Nova Scotia, have completed arrangements for the immediate installation of a modern mill with 200 tons daily capacity, The Financial Post learns officially.

The engineering firm of Messrs. Shoemaker & Burnham has been retained to design and install the new mill. The necessary funds are being provided through Irving, Brennan and Co., of Saint John, N.B., who have financed development work to date.

Officials of the company report that in addition to the ore bodies prevalent on the 100-ft. level, a new ore body has been intersected on the 300-ft. level, of satisfactory width and payable value.

Officials now estimate ore reserves as in excess of two years supply for a daily production of 200 tons.

# VALUES AT B.R.X. SAID TO IMPROVE IN SHEAR DRIFT

## No Mineable Length of Commercial Ore Struck As Yet

Over the signature of James Anderson, secretary, shareholders of B.R.X. (1935) Consolidated Mines are informed in a progress report of development work on this Bridge River property since publication of the last official report in August, 1935. Since that time, funds for continuous development have been provided by the European syndicate, composed largely of French interests.

Development has been carried out entirely on the Northwest end of the property. The long crosscut to explore this section of the property at depth was advanced a total of about 1,900 ft. where a strong shear zone was intersected, as previously indicated by drilling. This shear has been drifted on 560 ft. to the north and 743 ft. to the south with varying degrees of mineralization. While as yet no mineable length of commercial ore has been developed, officials believe it to be encouraging that values improve as drifting continues.

The company is at present purchasing $10,000 additional equipment with which to speed up development work.

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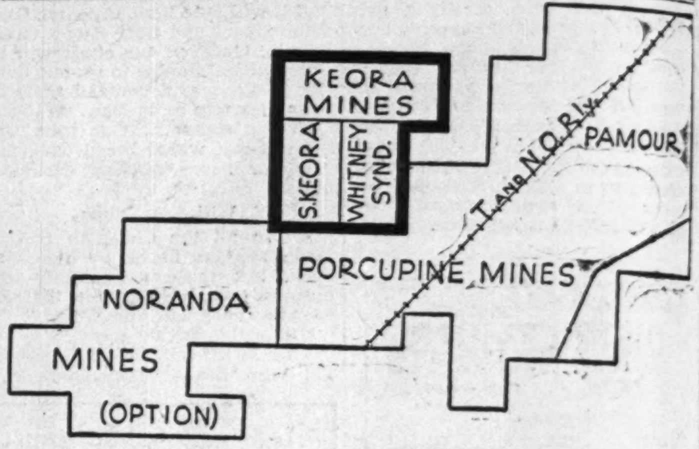

**Keora**
**South Keora**
**North Whitney Syndicate**

Interesting speculative possibilities are presented in the case of these three Porcupine gold issues. Note the favourable location of the properties in relation to Pamour, soon to become an important producer.

Full information on request.

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WHETHER we know it or not, more and more Canadians are gradually becoming North-minded. Governments, business men, and every one worthy to call himself a Canadian, cannot overlook the tremendous importance of the mining industry. From the speeding up of circulation of present wealth, through payment of wages and purchases of supplies and equipment, to the creation of new wealth through production, this industry has been the very heart that pumped the life blood through the arteries of Canadian business life during the years of depression.

The growing acknowledgment of the importance of the North Country in the minds of leaders of Canadian business is a source of personal gratification to me. The development of the northern mineral resources must not only be maintained but must be accelerated by favorable public recognition which is its due.

*President,*
*Pickle Crow Gold Mines, Ltd.*

**Circulation of Present Wealth**

From the date of its incorporation in January, 1934, to December 31st, 1935, Pickle Crow Gold Mines, Limited, had cash expenditures amounting to $1,202,016.95. Of this, payrolls accounted for $267,350.38, and the balance of $934,666.57 was spent on equipment, supplies and general expenses. The effect of this expenditure was the creation of business and employment in many lines of industry and business endeavour.

**Creation of New Wealth**

From the start of production about May 1st, 1935, up to December 31st, 1935, Pickle Crow Gold Mines produced $878,745.18 in Gold. This new wealth materialized from the milling of 37,277 tons of ore during this period. The stimulus of this one mine to Canadian business and Canadian prosperity is indicative of the tremendous importance of the mining industry to the future of the Dominion.

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E. HAMMELL, *Director*
B. H. BUDGEON, *Director of Mining*
A. L. SMITH, *Vice-President*
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*Mine Manager:* ALEX. G. HATTIE

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# Cariboo to Hit 200 Tons Daily By Next June

## Report Success in Sanders and Rainbow

### ORDER EQUIPMENT

**From Our Own Correspondent**

VANCOUVER. — Cariboo Gold Quartz mill will be operating on a 200-ton basis by June, according to R. R. Rose, managing director, who announces that orders have been placed for equipment that will step up the mill from the present 150-ton basis.

Success in the Sanders and Rainbow vein operations induced Mr. Rose to recommend an increase in the mill's capacity at this time.

### Ore Development

Ore is being developed from the No. 2 shaft in the Rainbow fault area at the 1,600 and 1,700-ft. levels and is showing up satisfactorily, Mr. Rose reports. The same can be said of the No. 3 shaft in the Sanders area, where three veins on the 1,600 and 1,700-ft. levels are now being developed.

The main tunnel at the mine is now in more than 4,000 ft., and development work at the mine has been carried on for the last two months at the rate of 1,200 ft. a month.

During the last twelve months production at the mill has totalled 17,457.76 ounces of fine gold from 43,417 tons of ore, valued at $615,274.

# GEOLOGIST SEES DISTINCT HOPES FOR ATHABASKA

## New Light Thrown on Canada's Latest Gold Area

**From Our Own Correspondent**

REGINA.—Dr. J. F. Allcock's preliminary report for Alberta's Department of Natural Resources on the Lake Athabaska mineral area, covering a reconnaissance of 7,000 square miles and detailed geological mapping over a 400 square mile area in the vicinity of Lodge Bay, states there are distinct possibilities of several large tonnage, low grade properties being developed.

His study brought out new facts about the geology of the region. There are three series of pre-Cambrian sediments, granites of two different ages and at least one series of basic intrusive rock.

Gold deposits under development are related to the younger granite in small quartz veins and stringers cutting the granite and in the granite itself.

### Copper and Nickel

The area covered by his report extends from latitude 60 south to Lake Athabaska, from the Alberta boundary east to Stony Rapids.

Most of the country examined outside Lodge Bay consists of sedimentary and granitoid gneisses. Little mineralization was noted. A few sulphide-bearing zones occur near the eastern end of Lake Athabaska where old sedimentary gneisses are invaded by sheets of norite. Where development work has taken place in these zones it has shown low values of copper and nickel.

The principal possibility lies in the small masses of gold bearing granite. Should Lodge Bay occurrences develop into profitable mines, the region will deserve an intensive search for similar intrusive masses.

### Changes Outlook

Particular attention was directed by Dr. Allcock's party to a search for granite but only locally was similar rock seen. Owing to the reconnaissance nature of the work small masses of gold bearing rock may have escaped discovery. The fact that such granite may be found cutting the older granites and gneisses anywhere changes the conception of the whole region.

Formerly gneisses were considered rather poor prospecting country. With the finding of gold in this younger granite, none of the country underlain by rocks older than this granite can now be passed over as having no mineral possibilities.

Dr. Allcock's report was presented to the Department of Natural Resources in Regina.

# WINOGA PATRICIA OFFERING STOCK

## Property Adjoins Pickle Crow and Kaw-Crow Patricia

H. R. Bain & Company are currently offering stock in another company formed for the Patricia Gold area of Ontario. The company, Winoga Patricia Gold Mines, is organized with an Ontario charter and with an authorized capital of three million shares, par value being $1 per share. For property, 1.3 million shares were allotted. The present offering covers 700,000 shares, leaving one million shares in the treasury.

The property of Winoga Patricia Gold Mines lies between Pickle Crow Gold Mines and Kaw-Crow Patricia Gold Mines, another recent Bain offering. Two years ago, H. R. Bain & Company financed Pickle Crow Gold Mines to the producing state.

### Preliminary Work

Development work has been of a preliminary nature only and has served to establish the existence of the Crow River formation, and a limited amount of diamond drilling has been carried on. Referring to developments, R. E. Hore, president of the company, states that the vein now being profitably worked by Pickle Crow Mines strikes toward the central part of the Winoga property.

Operations at both Kaw-Crow Patricia Mines and Winoga Patricia Gold Mines will be in charge of Mr. Hore.

The offering price is 35 cents per share.

# Veteran Mining Financier Attacks "In-and-Outers"

## A. E. Jukes Tells Vancouver Exchange Investing is Only Way to Make Money in Mining Stocks—Retires as President

**From Our Own Correspondent**

VANCOUVER.—A straightforward attack on that section of the public who regard the mining market as a "pari-mutuel stand" was made by A. E. Jukes, retiring president of the Vancouver stock exchange, at a meeting of that body recently.

Mr. Jukes, whose years of experience in the mining market lent force to his words, declared that the only real money to be made in mining, in Vancouver or anywhere else, lay in investing in legitimate and well-managed enterprises, and waiting until the mine's development has advanced sufficiently to make the shares worth more on the open market.

A. E. JUKES

### Mining Not Sweepstake

"Too many individuals," he said, "look upon mining stocks as an outlet for money comparable to sweepstakes or pari-mutuels. The mining market is nothing of the sort, and the sooner that fact is realized, the better will be the experience of both the industry and the people who buy mining stocks.

"Mining finance," Mr. Jukes proceeded, "is a legitimate branch of industrial finance and an essential department of the mining industry. It is wholly unreasonable for any man to haunt the brokerage offices expecting to put a hundred dollars into a stock on Tuesday and take out two or three hundred on Friday. In the long run he is going to be saddened by his experiences, because he acts on tips that such and such a stock is going up and that some mysterious 'they' are going to give a certain stock a 'run.' I have been on the market a long while and I'll say frankly I don't know this mysterious 'they.'

### Hazards Exist

"Occasionally a profit can be scalped from the market but the only real money that can be made in the mining stock market in Vancouver by the trading public is the simple procedure of buying shares in a legitimate and well-managed mining enterprise and waiting until the mine's development has advanced sufficiently to make the shares worth more on the open market. There are hazards in this method, of course, but the rewards of success are compensatingly high.

"You have all met the man who buys some shares in a new promotion and then, before the money has had a chance to be translated into terms of drill steel and powder, let alone blocked-out ore or gold bricks, is pounding the broker's desk asking for a profit. Usually, he expects the broker to 'run' the stock up after it has been issued.

### How to Put Stocks Up

"The only way I know to put a stock up in price is to have more buyers than sellers.

"Talk can make a market for a while, perhaps, but a market that is composed largely of hot air will eventually be deflated when the air cools off—and, cold air goes to the bottom.

"Those markets that are governed naturally by purchases and sales based upon correct information as to conditions at the mine are healthy markets. Where the news is good, and development results are satisfactory, the shares will eventually advance to discount the good news. The advance may run too far, in the midst of enthusiasm, but correct news will modify the gain.

"We can not emphasize too strongly to our clients, I believe, that in the final analysis they can best hope to make money from the mining share market by waiting until higher values have actually been created by mining development and prices have risen in natural accord."

# Flin Flon Syndicate Enlarging Ore Body

**From Our Own Correspondent**

WINNIPEG. — An official report report issued by R. N. Easton, president of Flin Flon Gold Mining Syndicate, states drifting is progressing on schedule on the two new levels.

The last report from the mine manager states that on the 225-ft. level 200 ft. of continuous ore has been opened and the vein is well developed and strong.

In the south drift on the 125-ft. level this ore body was in two shoots, separated by a length of 100 ft. of low grade material, whereas on the 225-ft. level these two ore bodies are connected and a length of 450 ft. or more is expected.

While the development has not advanced so far south on the 325-ft. level, information to date indicates that the same conditions are present as on the 225-ft. level. The vein, however, is wider on the 325-ft. level than on the 225-ft., the width of the lower level being 39 to 54 inches, and on the upper 19 to 36 inches.

Assay returns for the period Jan. 13 to 22 were for a length of 85 ft. on the 225-ft. level, where across an average width of 33 inches the average gold content was $15.65 per ton.

Drifting results generally are indicating ore of better grade and more continuity than was indicated by diamond drilling.

Supplies are now being shipped in over the winter road from railhead at Flin Flon.

# BRALORNE PROVES LARGE ORE BODY TO EIGHTH LEVEL

## Blackbird Vein 5 Ft. Wide at New Intersection

**From Our Own Correspondent**

VANCOUVER. — The Blackbird vein at Bralorne has been proven to an additional depth of 240 ft. by intersection of the Empire crosscut, which has been driven as an extension of the Bralorne 8th level to connect the Bradian with the Bralorne workings.

The vein was about five feet wide at the intersection and showed two feet of well-ribboned quartz with visible free gold, according to an official of the company. No assay report will be made for the present. The crosscut hit the vein at a flat angle and has been turned to follow it as the vein assumes the general course of the crosscut toward the Ida May vein. About 20 ft. of drifting will be accomplished on the Blackbird vein on the 8th level daily.

The face is a short distance ahead of that in the drift on the No. 6 level and is advancing in the opposite direction so that the bottom level will soon be drifting on the 350-ft. section of ore opened on the No. 6 level, about 240 ft. above. On the No. 6 level the ore has been opened to a distance of about 350 ft. and is reported to average about half an ounce of gold per ton over an average width of about five ft.

# Crerar Takes to Air

## Mines Minister Describes Past, Present and Future of the Industry in Graphic Broadcast

Drawing a close comparison among Canada's great railroad, agricultural, and mining development periods, Hon. T. A. Crerar, Minister of Mines, took to the air last week, in the first of a series of short radio talks on the Canadian Mining Industry.

The series is aimed at creating in the minds of Canadians a greater appreciation of what the mining industry is doing for the national welfare, and a realization of its breadth and character.

The Minister of Mines pointed out that 35 years ago, the Dominion had a production of metals worth $25 millions. Last year, Canada's metal output was worth $222 millions.

"Is not this percentage growth—800 per cent in a third of a century—quite as marvellous as that which has taken place in agriculture?" Mr. Crerar asked. "If we stop to think that most of the growth has taken place in the last decade, the picture of progress is still more striking."

The speaker stressed that while the future of Canada's agriculture must depend mainly on foreign markets, every possible domestic outlet should be developed. The effects of the depression have accentuated this need.

### Cites Flin Flon Development

"Though economic nationalism has changed for a time at least the wheat map of the world," stated Mr. Crerar, "it has not visibly altered the sources from which the world must draw its metals."

In this regard Canada is in a fortunate position, in the extent of her mineral belts, and in the richness of the ore.

As an example of what the mining industry could do and has done in the way of attracting foreign capital to Canada, and creating a domestic market, Mr. Crerar told the story of the development of Flin Flon, which, discovered in 1915, now has a population of 6,000 people, and which required a total pre-production expenditure of over $30 millions.

The annual output of the mine, operated by Hudson Bay Mining & Smelting Co. is about $8.5 millions, all of which is put into circulation in the distribution of wages, supplies, and dividends.

"And so I have become mine minded," Mr. Crerar concluded, "believing that in the development of our mineral resources lies a great opportunity. I am frankly an optimist on the 85 per cent of Canada that is non-agricultural, believing that there we shall provide increasingly important markets for our agricultural products. In the opening up and populating of these northern regions, we shall be producing those products which the world must have, and which we can readily supply, namely, metals."

# Scotia Gold Mines Plans Fresh Start

**From Our Own Correspondent**

WINNIPEG.—Scotia Gold Mines is planning to resume work this spring. Scotia got away to a good start a year or two ago but it was charged core drills had been tampered with.

This was on the property known as Scotia No. 1.

The company also owned a No. 2 group adjacent to the east end of Central Manitoba Gold Mines property and it is on this group that work is now to commence.

The company has nearly $17,000 in its treasury and more than 1.5 million shares out of a total issue of 2 million shares, also in its treasury.

A diamond drilling campaign is planned as it is thought the recent discoveries on Central Manitoba's property will have an important bearing on Scotia Gold, the break apparently entering its ground.

# Vidette Gold Resumes With Mill at 32 Tons

**From Our Own Correspondent**

VANCOUVER.—Milling at Vidette Gold Mine was resumed last month and has been maintained at an average of 32 tons daily, according to Gordon F. Dickson, managing director, in a report to stockholders.

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# Sorting the Mines, 17.

## An Impartial Analysis of Listed Stocks from A to Z

These little close-ups are aimed at giving Financial Post readers a rapid fire inventory of the market today. In no sense are they to be regarded as exhaustive summaries. Each stock will be dealt with in alphabetical order at the rate of three or four a week as space permits.

This is the seventeenth of the series.

### Dictator Mines

After months of neglect, the stock of Dictator Gold Mines has had a half-hearted revival on the Vancouver Exchange, due largely to a report that this company had taken an option on a "new" property in the Nelson Mining Division, on Bear Creek.

Dictator was organized in March, 1934, to develop a group in the Lightning Park area, near Edgewood, B. C. Development results, however, were disappointing, and work was suspended last summer.

The new acquisition is known as the Roanoke property. Some development work was done about 35 years ago, and while promising showings were said to have been obtained, little official information is available. From the investor's standpoint, the property should be treated as a raw prospect.

Pending an official statement as to the company's finances, and an engineer's report on the new property, Dictator is not likely to have much appeal, other than as a pure stab in the dark.

**Price Range of Stock**

| | High | Low | Last |
|---|---|---|---|
| 1935 | | | |
| Common | .06¾ | .01 | .01½ |
| 1936 | | | |
| Common | .04¼ | .02 | .04 |

### Dome Mines

Dome Mines is the pioneer producer in the Porcupine Camp. The company has been a continuous producer since 1910, except for the year 1918, and during reconstruction following a fire in October, 1929.

Behind this company's stock is excellent management, substantial ore reserves, and a dividend policy which leaves a nice margin for reserves.

In 1935, before allowance for depreciation, depletion, and adjustments of surplus or contingent reserve account, this company earned the equivalent of $4.64 per share. During the year it paid a regular dividend of $2 per share, with extras of $2 per share, making total disbursements of $4 per share.

At current prices of around $50 per share, these payments represent a yield of about 8 per cent.

Income from investments forms a substantial part of this company's earnings, and as at Dec. 31, 1934, investments at market value represented about $10.95 behind each share of stock.

In 1923, the company inaugurated a dividend assurance fund, which has been added to each year, to provide for dividends when the company's earning power is reduced. As at Dec. 31, 1934, this fund stood at nearly $2.4 millions, in cash and government bonds.

The comeback which the company has staged, from the bleak years of 1927, when the property appeared to be nearing depletion, is one of the many dramatic incidents in Canadian mining. The extent of the come-back is apparent in the ore reserves, which now stand at well over 2 million tons of commercial grade.

The mill is handling about 1,500 tons of ore per day, and is obtaining a recovery of around $8 per ton.

When the detailed 1935 report is published, it is expected that costs will show a decline. The company, in October, 1934, stopped adding the Dominion dividend tax to costs, deducting it from dividend cheques.

Working capital is substantial, at around $8 millions.

**Price Range of Stock**

| | High | Low | Last |
|---|---|---|---|
| 1935 | | | |
| Common | 45.50 | 34.50 | 42.00 |
| 1936 | | | |
| Common | 52.00 | 41.75 | 49.50 |

### Dominion Explorers

Dominion Explorers Ltd., an exploration and development company, is controlled by interests associated with Ventures Ltd., and is headed by Col. C. D. H. MacAlpine.

There has been no public offering of stock, all shares being sold privately. Ventures Ltd. have an unstated interest in the company.

In the last annual report, shareholders were told that until it was possible to do some treasury financing, to provide funds for further exploration, the company's policy would be to remain more or less inactive, and to nurse its current assets, and investments.

As at Dec. 31, 1934, current assets stood at $1,063, current liabilities at that date being $576.

In addition to its own property, comprising some 5,600 acres in Great Bear Lake, Dominion Explorers owns a 50 per cent interest in a silver radium prospect on LaBine Point. Stock interest is held in A. X. Syndicate Ltd., White Eagle Silver Mines, and as at Dec. 31, 1934, 10,715 shares of Ventures Ltd.

**Price Range of Stock**

| | High | Low | Last |
|---|---|---|---|
| 1935 | | | |
| Common | .10 | .03⅛ | .05½ |
| 1936 | | | |
| Common | .06 | .04½ | .06 |

# Mining Enquiries

### Wright-Hargreaves

I would be obliged for a more or less general report on Wright-Hargreaves Mines. What is your opinion of this property?

Wright-Hargreaves Mines Ltd. is a company which has been showing increased profits in the last year or two. In the fiscal year ended August 31, 1935, the company paid total dividends amounting to 60 cents a share, as against 55 cents a share in 1934. The tonnage of ore reserves has increased, costs have been reduced, and briefly, this company has given evidence of being exceptionally well managed. Wright-Hargreaves, like other gold mining companies throughout the world, has been materially aided by $35 gold and has adopted the far-sighted policy of treating a low grade of ore during high gold prices. This policy, of course, indefinitely prolongs the life of the mine. The company has a cash reserve of over $3.5 millions, which augurs well for future dividends.

### Gold Lake Mines

A client has a large holding in Gold Lake Mines. We noticed from your paper recently that they had made a new strike on the property and would appreciate very much if you would advise us the capitalization, and whether they have ample working capital to develop the property. Do you consider the property has merit?

Gold Lake Mines is developing a prospect in the Rice Lake area of Manitoba. At the present time finances are being supplied through Percy E. Hopkins, consulting geologist of Toronto. It is understood that Mr. Hopkins has optioned 1.6 million shares to net the treasury when fully subscribed above $500,000.

Prior to this financial arrangement Gold Lake property had seen only surface work, although results of this work indicated that further development was warranted. Lack of funds prevented this development until last summer when the Hopkins's interest started supplying funds.

You will understand that development work has yet reached only the preliminary stage, and it is rather early to make any definite forecast for this property. We can only say, however, that reports from the area indicate that the early promise which this property held is being maintained on the current development work. This management is practically the same as the management for Vanson-Manitoba which property was one of the disappointing features of the 1935 Manitoba mining season. The board, however, is comprised of apparently sincere men and with the present experienced technical direction, Gold Lake Mines is a promising looking prospect.

The company has an authorized capitalization of 2 million shares, no par value. Prior to the Hopkins's arrangement, 750,000 shares were outstanding.

### Consolidated Chibougamau

Could you give me some information regarding the Chibougamau stock quoted on the Mining Section of the Toronto Stock Exchange? What is its property?

Consolidated Chibougamau Goldfields acquired the property of Chibougamau Prospectors. It is the latter stock which is being traded and which, of course, represents an equity in Consolidated Chibougamau. Regarding this property in the Chibougamau area in Quebec, little is known except that Consolidated Mining and Smelting Co. which is developing the property, appears to be satisfied with the results. Indications are from the meagre details available that this is a large tonnage low grade proposition. Smelters have been working at the property now for a long time and there is no indication of them pulling out. Briefly, it appears to be at the present time, a promising looking prospect, although there is certainly no official confirmation for the wild enthusiasm demonstrated in some quarters.

### Porcupine Reef

Please let me have some information on Porcupine Reef Gold Mines, dealing with standing of the company, authorized capitalization, etc.

Porcupine Reef Gold Mines was incorporated with an Ontario charter in October last year to take over the properties of Porcupine Gold Reef Mining Co. The shareholders of Porcupine Reef will eventually receive three shares in the new company for every 20 shares held.

At the present time the property is idle although officials of Porcupine Reef inform us that finances have been obtained to start development work. This will probably be some time in May. The company has sold, we understand, around 100,000 shares, but at the present time is selling no stock. The authorized capitalization is $3,000,000 in $1 par value stock.

This property must still be regarded as little more than a raw prospect. It has, of course, in its favor location and it is probable that the development work currently being done throughout the whole camp will throw some light on the geology of this particular property. Until, however, a well financed development programme is executed, this property must be treated as a speculation only.

### International Nickel

I hold some stock in International Nickel Co. of Canada, and would like your advice on whether to hold or sell. Briefly, how do you value this stock at the present time?

In International Nickel you are holding shares in a company which has shown itself to be excellently managed; has a virtual monopoly on the nickel industry of the world; owns some of the richest mines in the world; and has recently embarked on a large scale programme of expansion. You can see from these facts that International Nickel finds itself today in a fortunate position. During the depression years, the company has steadily expanded its markets until today it is entirely independent of the former armament market. International Nickel suffers from the handicaps which are common to all market favorites, inasmuch as the market price seems to thoroughly discount the advantages outlined above. Many competent observers are of the opinion, therefore, that this stock is slightly over valued on the market, although there is no intention of implying that it does not present an attractive investment to one who already holds shares in their portfolio.

### Diana Gold Mines

I would appreciate some information on Diana Gold Mines. Does such a company have to hold an annual meeting, by law, and if so, has Diana held a meeting?

You have probably noticed by this time an article in The Financial Post for January 18 dealing with the present situation at Diana Gold Mines.

As regards an annual meeting, the Dominion Companies Act, under which Diana was incorporated, is very definite in this regard. Section 97, Chapter 33 states, "An annual meeting of the shareholders of the company shall be held at some date not later than eighteen months after the incorporation of the company and subsequently once at least in every calendar year and not more than fifteen months after the holding of the last preceding annual meeting.

"If default is made in holding any annual meeting as aforesaid, the court in the province in which the head office of the company is situate may on the application of any shareholder of the company call or direct the calling of an annual meeting of the shareholders."

The head office of Diana is in Toronto. Diana has never held an annual meeting, to our knowledge. We are informed, however, by officials that an annual meeting will be called "in the near future," but officials will not state any approximate date.

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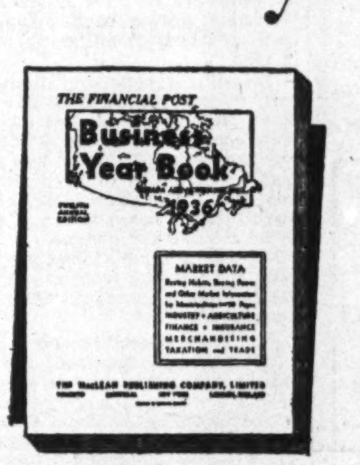

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# Electric Power Industry Reaches Record Output

## Returns for 1935 Establish New Leads for Domestic Demand and Deliveries to Boilers — Exports Are Moving Up

**From Our Own Correspondent**

MONTREAL.—One extra Saturday in December boosted production of the central electric stations for the month to 2,156 million kilowatt hours and brought the cumulative output for the year up to 23,404 million kw.h. This is the largest annual production ever recorded by the industry and represents an increase of 10.6 per cent over that for the preceding twelve months, according to returns compiled by the Dominion Bureau of Statistics.

A breakdown of the returns indicates that the improvement in production as reported by the central electric stations has been brought about by a general upswing in demand and not to any one particular agency.

### Newsprint Industry Helps

The record output of newsprint last year played an important part in the larger production of energy. Not only was the demand greater for motive power, but the continued increase in electricity for the generation of steam provided an excellent market for off-peak or secondary power.

Export demands also showed an improvement, while industrial needs, domestic and commercial were also on a scale greater than has prevailed for some time previously.

Trend of production follows:

(Thousands of Kilowatt Hours)

| | 1935 | 1934 |
|---|---|---|
| Canada | 23,404,408 | 21,159,530 |
| Maritimes | 777,356 | 769,676 |
| Quebec | 12,562,317 | 11,356,194 |
| Ontario | 6,856,946 | 6,095,758 |
| Prairies | 1,681,520 | 1,502,817 |
| British Columbia | 1,526,269 | 1,435,085 |

The comeback of Ontario is a notable feature of these returns.

The demand for motive power, domestic and commercial energy touched an all-time high in the past twelve months. Quebec continues far in the lead as the largest user of power, mainly attributed to the heavy load created by the newsprint and chemical industries, but the other areas report as large a percentage increase as shown in the following table:

The feature of water power operations in the last several years has been the sharp advance in deliveries of energy to electric boilers. This market has reached its highest stage of development in Quebec owing to the location of a large number of newsprint mills in that area. In other areas the electric boiler has been developed in industries other than newsprint but the demand naturally is not as great.

Some idea of the importance of the electric boiler as an outlet for power is to be had through a knowledge that nearly 25 per cent of the total output is now marketed in that way. In 1923 the electric boiler was practically unknown in Canada and did not figure in the returns of the power industry. Last year 6,243 million kw.h. of energy were delivered to electric boilers.

The trend of power consumption by electric boilers in recent years is set out in the following table:

**Deliveries to Electric Boilers**
(Thousands of Kilowatt Hours)

| | |
|---|---|
| 1929 | 2,162,460 |
| 1931 | 1,872,025 |
| 1933 | 3,608,400 |
| 1934 | 5,337,133 |
| 1935 | *6,243,749 |

*All-time record.

### Exports Below Peak

At one time exports of power from Canada to the United States bulked largely in the returns of the water power industry. With the decline in industrial activity in northern New York state, exports fell off sharply, and in 1932 amounted to only 667 million kw.h. Since then there has been a steady increase, but the total is still below the exports prevailing prior to 1929.

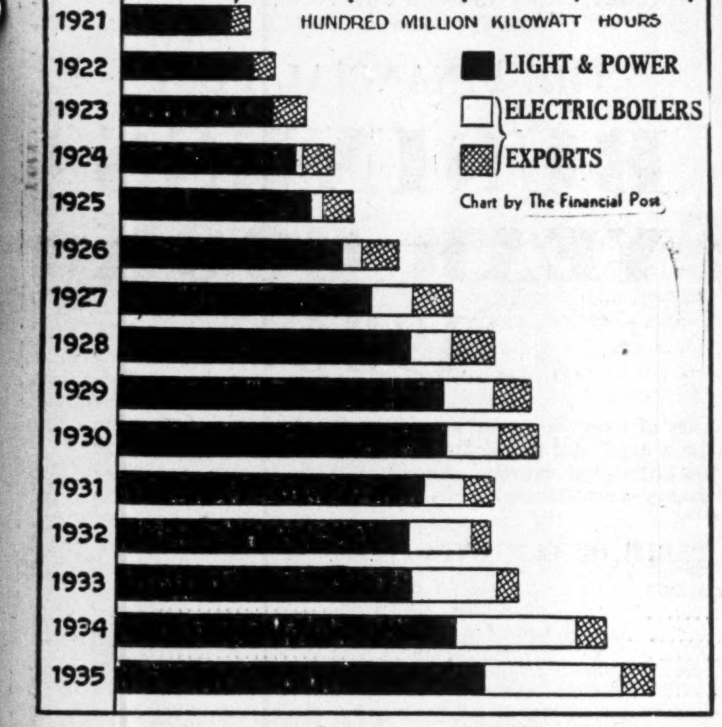
The trend of exports is shown hereunder:

**Exports of Power from Canada**
(Thousands of Kilowatt Hours)

| | |
|---|---|
| Record year (1927) | 1,632,614 |
| 1929 | 1,444,524 |
| 1931 | 1,235,325 |
| 1933 | 989,364 |
| 1934 | 1,248,808 |
| 1935 | 1,364,599 |

**Domestic Consumption of Power**
(Thousands of Kilowatt Hours)

| | Maritimes | Quebec | Ontario | Prairies | B. C. |
|---|---|---|---|---|---|
| 1929 | 227,144 | 7,477,886 | 6,213,187 | 1,434,853 | 1,173,115 |
| 1931 | 659,062 | 7,325,310 | 6,055,893 | 1,334,308 | 1,215,945 |
| 1933 | 707,480 | 7,451,968 | 5,563,647 | 1,393,313 | 1,239,629 |
| 1934 | 756,228 | 8,869,806 | 7,347,226 | 1,518,303 | 1,419,157 |
| 1935 | 762,984 | 9,959,127 | 8,110,477 | 1,699,469 | 1,507,765 |



## Power Corp. Group Reports Higher Output

**From Our Own Correspondent**

MONTREAL.—Subsidiary and affiliated companies of Power Corp. of Canada report an increase of 11.6 per cent in the electric power production for December, 1935, as compared with the same month a year ago.

Total output for last December aggregated 194.1 million kw.h. as against the corresponding figure of 173.9 million kw.h., an increase of 20.1 million kw.h.

For the twelve months period ending December 31 last, total production of these various companies amounted to 2,021 million kw.h., an increase of 11.4 per cent over the preceding twelve months.

Comparative output figures for December, 1935 and 1934 follow:

| Kw.h. Output | 1935 | 1934 |
|---|---|---|
| Southern Canada | 15,754,940 | 16,093,540 |
| Canada Northern | 49,864,077 | 47,870,067 |
| East Kootenay | 6,606,620 | 7,131,520 |
| B. C. Power | 46,811,977 | 45,675,964 |
| Northern B. C. | 943,264 | 969,932 |
| Winnipeg Electric | 17,734,800 | 17,604,300 |
| Manitoba Power | 56,776,000 | 38,349,000 |
| Northwestern P. | 252,300 | 262,600 |
| Total | 194,143,978 | 173,956,923 |

## Quebec Electricity Board Passes Montreal Pr. Issue

**From Our Own Correspondent**

MONTREAL.—The Quebec Electricity Commission has given its approval of the retirement of outstanding first refunding collateral trust bonds, due 1951, for $27.6 millions and the issuance of $15 millions of bonds by the Montreal Light, Heat and Power Consolidated.

The Commission's order, covering the approval, included several important recommendations to which the Commission urges other public utility concerns to adhere in the future.

These recommendations are to the effect that similar matters be submitted to the attention of the Commission long in advance so that the Commissioners will be in a position to study issues fully and render an adequate decision. This request, according to the chairman, requires complete information on the part of public utility organizations to facilitate the analysis of different questions submitted to the Commission and hasten decision.

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# Million Drop C.P.R. Profit Seems Likely

## Estimates Place 1935 Net Around $5.5 Millions for Preferred

### HIGHER EXPENSES

### Preferred Requirements Indicate Only 7 Cents Available Per Common Share

**From Our Own Correspondent**

MONTREAL. — Preliminary estimates of earnings for the Canadian Pacific Railway during 1935 show a net profit available for dividends on the capital stock at roughly $5.5 millions, or nearly $1 million less than in 1934.

Operating revenues of the company during 1935 totalled $129.6 millions, an increase of over $4 millions compared with the preceding twelve months. This gain was more than wiped out by higher operating expenses. The latter increase was due to higher labor costs and additional charges for pensions.

Net operating revenue of the company for the last year was around $22.4 millions, as against $24.4 millions in 1934.

### More Special Income

The financial statement for last year is expected to show an increase in special income, largely because of the increased dividend distribution by Consolidated Smelters, in which C.P.R. holds the controlling interest. During 1935, Smelters paid $6.50 a share in cash on its capital stock. This compares with $4.50 a share in the preceding year.

The increased distribution means an additional income of almost $675,000 to the C.P.R. Further special income covers returns from ocean coastal steamship operations, telegraphs, hotels, etc.

A preliminary estimate places special income at $7.5 millions for 1935, against $6.6 millions in 1934. This brings net profit available for fixed charges to $29.8 millions against $31 millions in 1934.

### Fixed Charges Lower

It is estimated that there was a moderate reduction in fixed charges last year, but the saving along this line did not make any material difference in the amount available for distribution on the capital stock.

An unofficial estimate of earnings for 1935, together with the official figures for 1934 follows:

**Estimated Earnings**

| | 1935<br>$ | 1934<br>$ |
|---|---|---|
| Gross earnings | 129,678,904 | 125,542,955 |
| Expenses, etc. | 107,281,380 | 101,158,931 |
| Net earnings | 22,397,523 | 24,384,023 |
| Add: Spcl. income | 7,500,000† | 6,663,793 |
| Net profit | 29,897,523 | 31,047,816 |
| Fixed charges | 24,400,000† | 24,578,025 |
| Surplus | 5,497,523 | 6,469,791 |

†Unofficial estimate.

### Nothing on Ordinary Stock

In the event the estimate is borne out by official figures surplus would be just enough to cover a 4 per cent dividend on the preference stock. To meet this charge the company would require $5,490,277.

In 1934 the surplus was sufficient to have covered this charge and leave a balance equal to 7 cents a share on the outstanding 13.4 million shares of ordinary stock.

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# Railways Seeking to Abandon 680 Miles of Line in Canada

## Five Provinces are Concerned by Policy to Give Up Non-Profitable Lines—Some Applications Refused

**From Our Own Correspondent**

MONTREAL. — The amount of railway line which the Canadian National and Canadian Pacific Railways have asked the Board of Railway Commissioners for leave to abandon, since the Duff Commission carried out its investigation more than two years ago, is equivalent to a double line from Montreal to Toronto!

Or the Maritimer may be more impressed by the knowledge that the mileage represented by the applications—680.69 miles—is equal to the distance from Halifax, N.S. to Levis, P.Q.

While to the Western mind it might be clearer to say that this mileage would cover the distance along the main line of the Canadian Pacific from Winnipeg to a small place called Suffield, Ata., about 25 miles west of Medicine Hat.

### Not All Approved

This is the amount of railway line which in the opinion of the managements of the Canadian Pacific and Canadian National is of no economic value and should be permanently abandoned.

But the Board of Railway Commissioners, after listening to arguments both pro and con, has treated the 33 individual applications as follows:

| | Mileage involved |
|---|---|
| Granted | 272.69 |
| Refused | 216.0 |
| Decision pending | 131.0 |
| Yet to be heard | 61.0 |

Thus from the foregoing it will be seen that the two railways have been refused permission to abandon approximately one-third of the mileage covered by the applications. Of the remaining two-thirds, over 272 miles has been granted and a decision on 192 miles is still in abeyance.

Of the 33 applications to the board, 29 have been made by the Canadian National and the balance by the Canadian Pacific. The average mileage of the latter's applications has been considerably larger than for the C.N.R. The aggregate mileage which the C.N.R. seeks to abandon, however, is nearly six times as great as that for the C.P.R.

### Four Provinces Unaffected

In the accompanying analysis of the applications, it will be seen that four of the nine provinces are not affected by the line abandonment programme. They are Saskatchewan, Manitoba, Nova Scotia and Prince Edward Island.

This does not mean that lines will not be abandoned in these provinces. The work of preparing a case for the Board is lengthy and involved, hence the relatively few in number which have been presented.

An analysis of the mileage covered by the applications to date shows that Ontario accounts for nearly one-half of the lines which the Board has approved for abandonment. A decision has yet to be given out on another 129 miles, while 48 miles are being kept in operation by the Board's ruling.

While the amount of mileage in Quebec on which the Board has given a decision is almost equal to that for Ontario, it is worth while noting that those areas affected have been successful in retaining a far larger share than was the case for the sister province.

British Columbia managed to retain 33.1 of the 82.99 miles which the railways sought to abandon, while New Brunswick did even better having lost only 28.8 miles of the 83.8 miles covered in applications.

It will be recalled that when the Duff Commission was investigating the railway situation, Sir Edward Beatty in his claim for amalgamation stated that 5,000 miles of line could be abandoned. Such would probably be possible with consolidation, but with the present set-up of the railways it would not be feasible or possible to abandon that amount of mileage.

There is no accurate means of determining the amount of mileage that can be abandoned under present conditions. The 680.69 miles covered by the applications to date, of course, does not represent a maximum figure.

### Details of Lines Abandoned

Particulars of the lines covered in the applications to date follow:

**Would Close up Many Branch Lines**

| Prov.: | From | To | Mileage | Board's Decision |
|---|---|---|---|---|
| N. B. | Elgin | Havelock | 26 | Refused |
| " | St. Martins | Hampton | 29 | Refused |
| " | St. Stephen | Bonny River | 30 | Granted |
| Que. | Victoriaville | Ste. Gregoire | 30 | Refused |
| " | Nicolet | St. Leonard Jct. | 15 | Outstanding |
| " | Iberville | St. Hyacinthe | 28 | Granted |
| " | St. Hyacinthe | Bellevue Jct. | 31 | Refused |
| " | Noyan Jct. | Iberville | 22 | Granted |
| " | Farnham | Frelighsburg | 18 | Refused |
| " | St. Remi | Hemmingford | 15 | Outstanding |
| " | North Troy | Near Eastman | 21 | Granted |
| Ont. | Hawkesbury (including Clarence Spur) | Hurdman | 61 | Not yet heard |
| " | Tweed | Bannockburn | 20 | Granted |
| " | Trenton | Brighton | 10 | " |
| " | Port Hope | Peterborough | 28 | Refused |
| " | Ronnac | Greenburn | 42 | Granted |
| " | Whitby | Cresswell | 30 | Outstanding |
| " | Two Rivers | Ravensworth | 38 | " |
| " | Golden Lake | National Jct. | 20 | Refused |
| " | Brant Co. Siding | Paris Jct. | 6 | Granted |
| " | Hickson | Tavistock Jct. | 7 | " |
| " | Burgessville | Woodstock | 9 | " |
| " | Simcoe Jct. | Otterville | 14 | " |
| " | Jarvis | Port Dover | 9 | " |
| Alta. | Peace River Jct. | Darson Jct. | 33 | Outstanding |
| " | Foothills | Lovett | 6 | Granted |
| B. C. | Bay Junction | Patricia Bay | 17 | " |
| " | Westend | Archibald | 17 | " |
| " | Lardeau | Gerrard | 33 | Refused |

Note:—A small amount of old line in B. C., less than 3 miles, is omitted.

## *Log of the Rail Abandonments*

| | |
|---|---|
| Applications made to board | 33 |
| Applications granted by board | 19 |
| Applications refused by board | 8 |
| Orders of the board outstanding | 5 |
| Applications yet to be heard | 1 |

**DISTRIBUTION OF MILEAGE COVERED BY APPLICATIONS**

| Province | Granted | Refused | Pending | To be Heard | Total |
|---|---|---|---|---|---|
| British Columbia | 49.89 | 33.1 | ... | ... | 82.99 |
| Alberta | 6.0 | ... | 33.0 | ... | 39.0 |
| Saskatchewan | ... | ... | ... | ... | ... |
| Manitoba | ... | ... | ... | ... | ... |
| Ontario | 117.0 | 48.0 | 68.0 | 61.0 | 294.0 |
| Quebec | 71.0 | 79.9 | 30.0 | ... | 180.9 |
| New Brunswick | 28.8 | 55.0 | ... | ... | 83.8 |
| Nova Scotia | ... | ... | ... | ... | ... |
| P. E. Island | ... | ... | ... | ... | ... |
| Total | 272.69 | 216.0 | 131.0 | 61.0 | 680.69 |

**DISTRIBUTION OF MILEAGE BY RAILWAYS**

| | Granted | Refused | Pending | To be Heard | Total |
|---|---|---|---|---|---|
| Canadian National | 205.49 | 182.0 | 131.0 | 61.0 | 579.49 |
| Canadian Pacific | 67.2 | ... | ... | ... | 101.20 |

The BACHELOR'S CORNER
BACHELOR

Twenty Years Ago . . . and Now

It's funny how old truths and old points of view have a way of coming back into popularity, like styles in women's hats, though it may not be the same people who are wearing them. I was reading an election speech of Lloyd George's delivered twenty years ago; and it was almost a paraphrase of one Prime Minister Baldwin made in the last British election.

It made me think of how, twenty years ago, people were recommending Bachelors to their friends, and people are saying just the same things about them now. The difference is that many of the same people are still doing it — and have been right along. Others today are putting it this way:

"IT'S GOOD TO GET BACK TO A 10c. CIGAR!"

WILSON'S BACHELOR Cigar
10¢
100% Havana Filler

## Brewing Corp. Taxes Reach $2.3 Millions

Conditions arising from large tax levies on the brewing industry feature the Brewing Corp. of Canada's financial statement for the year ended October 31, 1935. In the preceding year, taxes levied were $1.9 millions and in the year under review $2.3 millions. This was exclusive of income taxes, which amounted to $54,300.

License and business taxes levied on the hotels and beverage rooms, which are doing business in various towns and cities over Ontario, also figure in the eventual price paid over the counter by the consumer, the report reveals.

## CANADA CEMENT CO. OUTLOOK IMPROVES

### President Tempers Optimism With Caution in Survey of Conditions

**From Our Own Correspondent**

MONTREAL.—Optimism, tempered with caution, featured the remarks made by J. D. Johnson, president, at the annual meeting of shareholders of the Canada Cement Co.

While the company has barely held its own during the past year as compared with the previous year, he said, its plants were kept up to the highest rate of efficiency and modern development. He referred to the opinions voiced by business leaders which "almost without exception strike a note of cautious optimism and suggest returning prosperity." There are plenty of obstacles to cement consumption's return to normal in Canada, but Mr. Johnson believes that these would be gradually overcome.

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THE BELL TELEPHONE COMPANY OF CANADA
LONG DISTANCE TELEPHONE

"Thanks for Your Advertisement . . . now I can go to sleep!"

A recent telephone advertisement began: "Somewhere, someone would be happy to hear your voice. Perhaps it's a boy at school, a convalescent friend, a husband travelling, or a mother back home and lonely." A few days after its publication a letter reached the Telephone Company:—

"Alone in my room tonight," it read, "in this little "mountain town, thinking of my little red-headed "boy at home sick, I saw your advertisement and "called home. Now I can go to sleep. Thank you "for your advertisement."

Often an inexpensive Long Distance call brings comfort and relief. The rates are surprisingly low. On BOTH "Anyone" and "Person-to-Person" calls, Low Night rates apply after 7 p.m. and Low Week-end rates ALL DAY SUNDAY.